The National Underwriter
A WEEKLY NEWSPAPER OF INSURANCE
THURSDAY, NOVEMBER 5, 1931

Today's problems handled by modern methods

Adherence to obsolete methods has never handicapped Lloyds Casualty Company in its fifty-two years of existence, because it is continually keeping abreast with present-day methods.

The whole operating organization of Lloyds Casualty Company is composed of men grounded in all phases of Casualty and Surety work. Lloyds Casualty agents find considerable pride in representing an old company using all modern methods

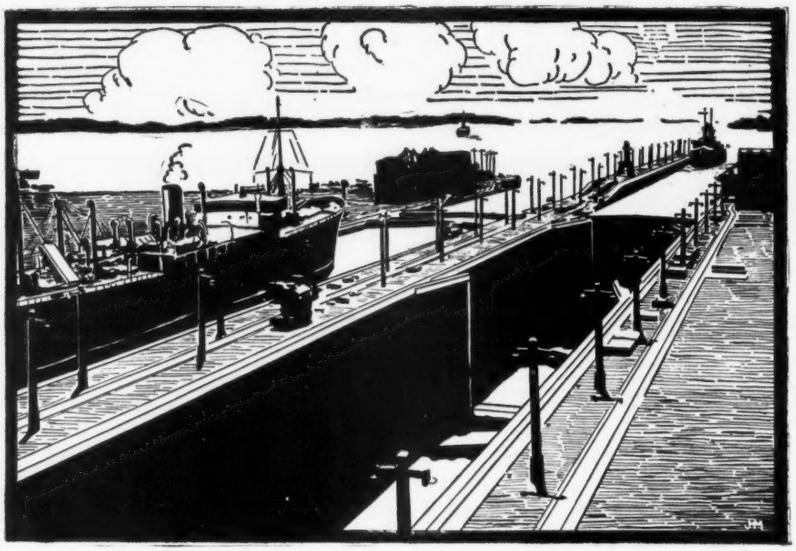
LLOYDS CASUALTY COMPANY

M. DANIEL MAGGIN, Vice President & General Manager

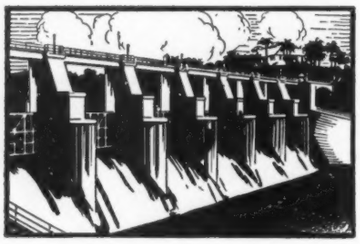
75 MAIDEN LANE NEW YORK CITY

Plate Glass and Casualty Lines, including Fidelity and Surety

Affiliations: DETROIT FIDELITY AND SURETY CO. COSMOPOLITAN FIRE INSURANCE CO.



STRENGTH plus SERVICE



THE Panama Canal one of the world's greatest engineering feats—was opened to commerce on August 15, 1914. The Gatun Locks and the huge gates make this canal possible. These gates are 7 feet thick, 65 feet long, from 47 to 82 feet high and weighing from 390 to 730 tons provides a wide margin of safety against the great pressure of water. This canal has not only served to shorten the water route from the Atlantic to the Pacific Oceans for the United States but for a great many other nations, too. There have passed through the Panama Canal about 60,000 commercial vessels, carrying approximately 250,000,000 tons of cargo and paying in the neighborhood of $225,000,000 in tolls. » The Home Insurance Company of New York has built up a reserve of over one hundred million dollars through a process of careful underwriting and conservative investment methods. The "Home's" reserves have always been and are more than adequate to take care of all losses incurred under its policies. » "The Home of New York" has served its agents and policyholders over 78 years—aiming always to satisfy them at the time of a loss by making adjustments promptly and equitably.

Cash Capital
$24,000,000.00

Net Surplus
$36,398,755.35
(Accumulated over 78 years)

Surplus to Policyholders
$60,398,755.35

Additional Funds
$38,936,368.00
(Pro Rata Unearned Premiums)

Reserved
for miscellaneous accounts, taxes, dividends, and other obligations
$12,754,865.55

Assets
Cash on hand, funds conservatively invested or current balances payable when due
$112,089,988.90

THE HOME INSURANCE COMPANY NEW YORK

ORGANIZED 1853

WILFRED KURTH, President

59 MAIDEN LANE

Strength « » Reputation « » Service

THE NATIONAL UNDERWRITER. Published weekly (with one additional issue in April) by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill. Thirty-fifth year. No. 45. Thursday, November 5, 1931. $4.00 a year, 20 cents per copy. Entered as second-class matter April 25, 1931, at postoffice at Chicago, Illinois, under act of March 3, 1879.

CRUM & FORSTER
COMPANIES

Are well seasoned and wear well.

A consistent and broad underwriting policy makes agency friends and keeps them.

When you add a C. & F. company to your office you are not just taking on another company.

We do not expect you to write us for an agency contract. When we have investigated we may call on you.

All agents do not look alike to us. We want to put the agency business on a higher plane.

Our Department Offices Are Complete Home Office Units

WESTERN DEPT.	PACIFIC DEPT.	SOUTHERN DEPT.	ALLEGHENY DEPT.	CAROLINAS DEPT.
FREEPORT, ILL.	SAN FRANCISCO	ATLANTA	PITTSBURGH	DURHAM, N. C.

THE INSPECTOR MUST GIVE

COMPLETE SATISFACTION

THE Hooper-Holmes Bureau requires no contracts. Customers are free to use as many or as few reports as desired. It always has been the feeling of this organization that if customers are asked to sign contracts committing them to the use of a specified number of reports per year or per month two serious disadvantages arise. There is unnecessary sales resistance and there is a feeling that the best efforts of the service organization may not be put forth.

Under the Hooper-Holmes plan, each report must be the best that can be produced for the price at which it is sold. Each report must be sufficiently good to induce the customer to order further reports. The result of the plan is an organization continually on its toes to give one hundred per cent customer-satisfaction. What could be simpler? What plan could more adequately protect the buyer of service?

To an extent which would be surprising to anyone outside the organization, the reports of The Hooper-Holmes Bureau have sold themselves. There has never been an employee whose duties were entirely of a sales nature. Appropriations for advertising have never exceeded one-quarter of one per cent. Yet every year, including '30 and '31, the business has grown. A chain is no stronger than its weakest link. A service organization must give service. This organization spends its money on stronger links and improved service.

The nationwide facilities of The Hooper-Holmes Bureau are devoted to the compiling of Moral Hazard Inspection Reports for insurance underwriting, credit, commercial and employment purposes and Claim Reports. Address inquiries to 102 Maiden Lane, New York.

★ THE HOOPER-HOLMES BUREAU, Inc. ★

931

The National Underwriter

Thirty-Fifth Year No. 45 CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, NOVEMBER 5, 1931 $4.00 Per Year, 20 Cents a Copy

Illinois Agents' Annual Meeting

Fine Program Is Presented at the Gathering Held in Peoria

TROXELL OCCUPIES CHAIR

President W. B. Calhoun of the National Association of Insurance Agents Was a Leading Speaker

By C. M. CARTWRIGHT

PEORIA, ILL., Nov. 4.—The annual meeting of the Illinois Association of Insurance agents took place here today with R. W. Troxell, of Springfield, the president, in the chair and S. E. Moisant, of Kankakee, the secretary, being his chief lieutenant. The officers and board of directors met last evening to canvass the work of the day and to discuss various topics of interest to the members. President Troxell gave his report this morning followed by reports of the standing committees. Frank L. Erion, Chicago adjuster, gave his address in the morning.

New Officers Elected

The new officers elected are: Chairman, Mr. Troxell, Springfield; president, Rockwood Hosmer, Chicago; first vice-president, Alvin S. Keys, Springfield; second vice-president, Frank E. Budelier, Rock Island; third vice-president, Edward J. Martin, Peoria; national councillor, Mr. Troxell, and secretary-treasurer, Shirley E. Moisant, Kankakee.

In the afternoon there were three papers, one given by Charles E. Freeman, advertising manager Springfield Fire & Marine; Henry Swift Ives of New York City, special counsel Association of Casualty & Surety Executives and L. J. Kempf, Chicago manager of the Travelers. At the banquet C. M. Cartwright of THE NATIONAL UNDERWRITER was toastmaster. President W. B. Calhoun of the National Association of Insurance Agents was present. He was introduced during the day and spoke and also had a message to give at the banquet. Western Manager John F. Stafford of the Sun gave some observations. Emmet C. May, president of the Peoria Life, brought greetings. Jacob Wachenheimer of Callender & Co., who is now more of a banker than an insurance man, but who was present when the National Association of Insurance Agents was organized at Chicago, was introduced. Seymour Oakley, editor of the Peoria "Star," was also a speaker.

Stafford Gives Advice

John F. Stafford, western manager of the Sun, delivered an inspirational message, concluding with advice to agents and to companies which, he said, would help to keep the business on an "even keel."

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Agency Separation Looms as S. E. U. A. Meeting Topic

ATLANTA MAY GIVE SOLUTION

Executive Committee Has Had Subject Under Consideration Since Spring —Query Fertilizer Reinsurance

ATLANTA, Nov. 4.—With the approach of the semi-annual meeting of the Southeastern Underwriters' Association at Pinehurst, N. C., Nov. 16-19, there comes a renewed interest of the problem of mixed agencies in the south. The executive committee has been considering the subject since early last spring. Some action was expected at the committee meeting held in Asheville during the summer, but at that time it was said to have been delayed until the mid-year meeting of the entire membership.

There seems to be no doubt that mixed agencies will be a major topic. Both agents and company men have been insistent in their demands that mutual company representation should be discarded by stock board agencies.

The Atlanta Association of Fire Insurance Agents is now working out plans for a model board, which if completed, will settle the mixed agency problem for all times in Atlanta. If other associations in the territory should adopt plans patterned after the Atlanta one the problem would be solved. With this in mind it is probable that the subject may remain in the hands of the S. E. U. A.'s executive committee and some plan of cooperation be worked out with the Atlanta Board.

The S. E. U. A. is also considering the answer to the often propounded question: "Which are the companies that are reinsuring the fertilizer lines written in the territory by non-admitted carriers and which carriers are writing these lines at reduced rates?"

For many years the fertilizer lines were profitable and the business was fairly well distributed and handled through local agents. Gradually this business drifted into larger commercial centers as manufacturers merged and now, it is said, most of it is placed under one cover at wholesale rates. Some companies writing this business have reinsured part of it. A determined effort is to be made at the Pinehurst meeting to find if any of the S. E. U. A. companies are aiding this unethical practice by accepting reinsurance.

Insert Covers Illinois Convention Next Week

A full report of the annual meeting of the Illinois Association of Insurance Agents in Peoria this week and the addresses given at that meeting will be presented in a special insert which will be published as a part of next week's issue of The National Underwriter.

Texans Start Preparations for Commissioners' Meeting

CONFERENCE HELD IN DALLAS

Secretary Read Meets With General Committee of Fifty, Representing All Interests—Cousins Is Chairman

DALLAS, TEX., Nov. 4.—Texas insurance men have set a new record so far as preparing for the annual meeting of the National Convention of Insurance Commissioners is concerned. Usually the plans for the annual meeting are not taken up until the December midyear meeting, but last Saturday, almost a year in advance of the annual convention, the convention executive committee met in Dallas to outline the program. The committee is composed of 50 members, including Jess G. Read, Oklahoma commissioner and secretary of the convention; W. A. Tarver, Texas commissioner and representatives of every phase of insurance activities from all over Texas, in addition to Dallas and Galveston chamber of commerce representatives. The convention will be held either the last of September or early in October, 1932.

Cousins General Chairman

R. B. Cousins, former Texas commissioner and now president of the San Jacinto Life of Beaumont, was named general chairman of the convention arrangements committee. It was decided that business sessions will be held at Dallas and that Galveston will be the convention playground, with a probable stop at Houston for breakfast en route between the two cities.

An elaborate entertainment program is in the course of arrangement, including a "Bathing Beauty Revue, for the special benefit of the third house boys and ex-commissioners," Secretary Read announced. For active commissioners he promises a more conservative program.

It was agreed that the Dallas committee shall appoint all subcommittees and that all insurance people in the city will be called upon to do their bit in making the event a success. Special attention is being given the transportation feature and railroads will be requested to make special rates.

Present Program in New York

The executive committee of 50 will hold another meeting to prepare a finished program to submit to the commissioners at their midyear meeting in New York Dec. 7-9. Committees appointed by Chairman Cousins to perfect the plans are as follows:

At Dallas, Charles O'Donnell, Southwestern Life; R. A. Belknap, Trinity group; Harry Maxson, local agent; M. G. Jarreau, state agent Great American group; Homer Mitchell, Employers Casualty; Tom L. McCullough, Praetorians, and O. Sam Cummings, state manager Kansas City Life.

The Houston committee comprises Gus S. Wortham, American General Fire; A. D. Langham, president Texas Association of Insurance Agents; E. P. Greenwood, Great Southern Life, and James Cravens of Cravens, Dargan & Co.

At Galveston the committee includes F. B. Markle, American National; J. F. Seinsheimer and H. Economidy, American Fire & Marine group.

Companies Review All Expirations

Changes in Assured or Character of Business May Cause Havoc

MORAL HAZARD IS FOUND

Underwriters Are Scanning All Offerings and Getting at All the Facts Obtainable

Fire underwriters find that in reviewing daily reports much more care and knowledge are required than usual because the character of the risks may have changed within a year's time. So great and drastic have been the effects of the financial depression and so severe have been the storms that have attacked various enterprises that an underwriter cannot take it for granted on renewal that the condition of the business is the same as it was a year previous. Values probably have changed materially. The financial condition of the corporation, owner or partnership may have been completely altered. Business prospects may be entirely different. The whole picture may be decidedly out of joint.

Change May Have Taken Place

Just as surety underwriters are requiring frequent financial statements of banks in order to gauge their situation where depository bonds are applied for so the fire underwriters cannot afford to take chances in passing on a risk that no change of moment has occurred within a year's time. Chief examiners who have had long experience declare that ripe judgment, the utmost good sense and vision are needed in passing on business. Some offices have been cutting down on their overhead, reducing salaries or letting some of the higher priced underwriters go. In the opinion of some officials this is regarded as false economy. The point is made that if ever intelligent underwriting is needed it is now. More research is required and a careful checkup is highly desirable. Field men are being called on more and more to make inquiries as to the status of an enterprise. Local agents are interrogated at considerable length.

Business Conditions Altered

For instance an underwriter said the other day that the manufacturers of the old form of household refrigerators had to be scanned very carefully because of the electric type that is being rapidly introduced and used, putting the old time ice box out of commission. He also referred to summer resort business in some sections which had been profit-

(CONTINUED ON PAGE 28)

Most Strenuous Collection Drive in Years Starting

MANAGERS ARE LAYING PLANS

Companies Determined to Shave the Amount of More Than 90 Day Outstanding Balances

Managers are laying plans now for the beginning of what promises to be one of the most strenuous last-of-the-year collection drives, ever conducted.

Most of the companies have paid unusual attention to the collection problem throughout the year, but in most offices the work has been pretty much of a catch-as-catch-can process. Now many executives have reached the decision to launch one of the most systematic campaigns in years in an attempt to bring the percentage of more than 90 day balances outstanding at the end of the year to as low a point as possible.

As the campaign starts, some companies report that their collection problem is no worse relatively than it was last year except that the number of agents in desperate condition because of bank failures is greater. Some companies, however, report that they are in very much worse position than last year.

Limit Has Been Reached

The feeling is apparent in many offices today that the limit has been reached beyond which it is impossible to give many agencies time to work out their affairs. Companies have had the experience that the extension of time to work out affairs of an agency has often been based on false hope. It has merely deferred the time for an accounting; has not been truly charitable to the agent, who has gotten in only deeper and has been expensive to the company. This is true, particularly, of those agents whose difficulty can be traced to speculation, excessive expenditures, etc., and poor management. Those who have been hit by external circumstances, such as bank failures, especially, are in a different category and the companies will be considerate.

Reluctant to Offend

Many field men are loath to take over an agency or to close out an agency. That seems to be only natural. They know the work that is required to plant their companies. The reluctance to offend and personal feelings are involved. Some of the companies are largely to blame for this reluctance to wind up an agency. Early in the year, with fresh determination, many executives were bound to maintain production. Field men were driven to bring in the business and they could not oblige by shutting off the source.

Now Stress Collections

Now, many executives are letting up from the drive for new business and advising special agents that they will at least be less censured for a drop in production than for a poor collection record. Other companies are actually commending their special agents when they have courage, under proper circumstances, to take over an agency for delinquency or for protested checks.

Some managers feel that the special agent can get an earlier indication of when an agency is doomed than the department or home office can. It is less expensive, these executives feel, for the special agent to take radical action than to wait until the home office is forced to act because the agency's checks are N. S. F.

Insurance at Special Session

Among the subjects listed in the call for the special session of the Illinois legislature, which is getting under way this week, is to grant permission to insurance companies to invest their surplus funds in tax anticipation warrants.

Michigan Mid-Year Meeting Will Be Held in Lansing

EXECUTIVE GROUP CONFERS

Plans for Issuing Maps and Launching Auto Club Presented—Check Responsibility Laws

DETROIT, MICH., Nov. 4.—The Michigan Association of Insurance Agents will hold a mid-year gathering in Lansing some time in February or March, it was decided at a meeting of the governing committee of the association in Detroit last week.

The 1930 mid-year meeting, the first ever attempted, proved extremely successful, more actual work being done in the single day's executive session, it was contended, than at many state conventions. Because of the general favor accorded the initial session, it has been conceded by agency leaders all over the state that it would be an excellent idea to continue the custom.

Map Plans Outlined

Clyde B. Smith outlined his ideas of an auto road atlas and a Michigan road map carrying an agency imprint and some short concentrated advertising matters.

Details of the organization of an automobile club with all the service features now offered by city clubs were submitted by Kenneth Watkins but were not acted upon pending investigation by George W. Carter as to the advisability of hooking up with the National Automobile Club of San Francisco rather than start an independent state club.

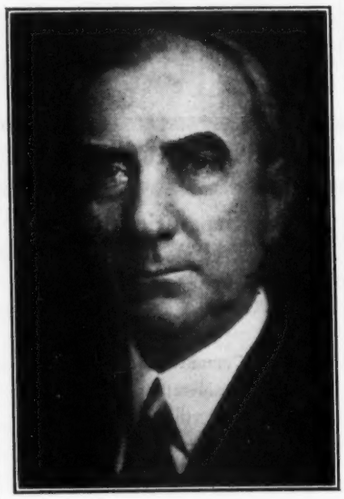
Comprehensive policies carrying supplemental coverages on domestic and mercantile fire and casualty contracts are not creating any great enthusiasm in either agents or buyers, so the matter was referred to Mr. Carter.

As incidental to the general drive for automobile stock company insurance, the secretary was requested to communicate with department heads as to the financial responsibility requirements in their several states. Auto traveling outside the state of residence has become so general it is becoming essential that auto owners should carry their insurance in companies whose policies will be acceptable anywhere when trouble occurs.

The depository bond situation was referred for action to George W. Carter, Detroit, chairman of a special committee; Clyde B. Smith, Lansing; John P. Old, Sault Ste. Marie; C. D. L. Mulder, Muskegon, and J. Alfred Grow, Detroit.

G. C. Mickle, Grand Rapids, was made chairman of the local board committee and George Brown was reappointed membership chairman.

Toastmaster



ALFRED HURRELL, Newark, N. J.

Alfred Hurrell, vice-president and general counsel of the Prudential, will be toastmaster for the great insurance banquet to be given to J. V. Barry, retiring third vice-president of the Metropolitan Life, in New York City Dec. 9. Mr. Hurrell is a master hand at anything he does. He was a lawyer in Buffalo until 1909 and served as assistant district attorney of Erie county for part of the time. He then became counsel for the New York insurance department and for four years was attorney for the Association of Life Insurance Presidents.

Bankers & Shippers Dividend

The Bankers & Shippers of New York has reduced its dividends to $1 per share from $1.50 quarterly.

Chicago Brokers Arrested in Old License Fee Tangle

ASSOCIATION TAKES UP FIGHT

Power of Organized Producers Seen in Reconsideration of Action—Non-members May Suffer

Four leading brokers in the Insurance Brokers Association of Illinois and, it is reported, approximately 100 non-member brokers have just been arrested in a renewal of the attempt of the city administration to collect the $25 brokers' license fee under an ordinance which has been contested for a long time. It is probable that the city will wage a campaign against the 6,000 or more brokers in the city.

The four are Arthur S. Schwartz, John Slagle, Martin Johnson and Fred C. Bracken, who were among eight arrested similarly about a year ago. The association's position is that its members will refuse to pay the $25 fee on any basis of a routine levy by the administration, but they are willing to pay if some benefit can be gained, such as under a new ordinance which was proposed some time ago and is now in the hands of the corporation counsel.

Ordinance Pigeonholed

The ordinance, upon which no action ever was taken, calls for qualifications somewhat similar to those in the state brokers' qualification law. The brokers' association fears that the new administration headed by Mayor Cermak is interested only in the $25 fee. Previous court decisions in the brokers' fee case have set a precedent which makes it entirely likely that unless the administration accedes to the brokers' wish for the setting up of qualifications, the brokers probably will successfully resist suit by the city to collect.

About a year ago a friendly agreement was reached between the association and the corporation counsel. The brokers' association drafted the ordinance, only to have the bill lie dormant. Since then an armed truce prevailed, until Mayor Cermak's administration, short of funds, began to strain every effort to get income.

To Press Other Cases

However, when the previous negotiations were brought to the attention of officials this week, the cases against the four association men were permitted to lie dormant pending further consideration of the ordinance. It appears evident, however, that the administration will press cases against brokers who are not members of the association. Hearing of the cases against non-members who were arrested, Wednesday was continued to Dec. 28.

One objection of the association to the present license law is that real estate men have to pay only $25 to be licensed not only for real estate but also insurance. The brokers feel therefore it is unfair to charge them $25 for a license good only for insurance.

National Union Marine Secretary

Announcement is made of the appointment of D. S. Hanna as marine secretary of the National Union Fire. He has been associated with the National Union as manager of the inland marine department since September, 1930, at the home office. In his new capacity he continues supervision of that department and also will guide the destinies of the marine business. He spent approximately 10 years with the North America at Chicago, Milwaukee and San Francisco, joining the Fireman's Fund in 1929 to assume supervision of its inland marine department at New York.

The St. Louis Fire & Marine has been licensed in California with R. H. Jenkins of Los Angeles acting as general agent.

CONDENSED NEWS OF WEEK

Illinois Association of Insurance Agents holds its annual meeting at Peoria, Ill. **Page 3**

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Texas insurance interests start preparations for annual meeting of National Convention of Insurance Commissioners in Dallas next fall. **Page 3**

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Mixed agencies loom up as outstanding topic at Southeastern Underwriters Association semi-annual meeting Nov. 16-19. **Page 3**

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Frank L. Erion, Chicago adjuster, discusses adjustment ban on mutuals at Illinois agents' meeting. **Page 5**

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Several Chicago brokers arrested in resumption of license fee squabble. **Page 4**

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L. J. Kempf, casualty manager for the Travelers in Chicago, tells Illinois Association of Insurance Agents that workmen's compensation, automobile liability and personal accident must be restored to a profitable basis. **Page 31**

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National Bureau of Casualty & Surety Underwriters promulgates new comprehensive church burglary policy. **Page 32**

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Bureau of Personal Accident & Health Underwriters may defer date for placing new standardized policy forms on the market. **Page 34**

* * *

Connecticut Insurance Day held at Hartford. **Page 33**

The Michigan association executive committee meets, decides to hold mid-year meeting in Lansing in January or February. **Page 4**

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Results are expected from the conference of quarterly premium accident and health companies at Des Moines to bring about greater uniformity. **Page 37**

* * *

Massachusetts legislature passes one and kills four of the six compulsory automobile liability situation remedy measures. **Page 34**

* * *

Companies writing railway franchise accident and health business are cooperating and bringing about needed reforms. **Page 34**

* * *

Bayard P. Holmes, chairman of the board of the Hooper-Holmes Bureau of New York, died following an operation. **Page 33**

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Companies resent action of insurance commissioners in endeavoring to dictate terms of accident policies. **Page 32**

* * *

Governing committee of National Bureau's burglary department protests new all risk personal floater contract. **Page 32**

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C. H. Holland resigns as director and chairman of the board and E. M. Anderson as head of the New York department of the Independence Indemnity. **Page 33**

Erion's Views on Mutual Loss Ban

Danger of Adjustment Competition Because of Divorce, He Says

CLAIM COST IS HIGHER

Well Known Independent Adjuster Makes Interesting Talk Before Illinois Agents at Peoria

Frank L. Erion's outspoken criticism of certain adjustment practices and his intelligent discussion of loss problems constituted one of the most interesting features at the annual meeting of the Illinois Association of Insurance Agents.

Toward the end of his address Mr. Erion stated his views on the action of the stock company adjustment bureaus in declining to act for mutuals and reciprocals. Mr. Erion has been frequently mentioned in this connection because, as an expert in use and occupancy, he has been used extensively by both classes of carriers.

Mr. Erion expressed the belief that it is a mistake for the adjustment bureaus to decline to act for mutuals and reciprocals in so-called mixed losses, that is, on risks in which both types of carriers have an interest. He said that in the divorce there is the danger of competition in adjustments developing, and furthermore that the pro rata expense to stock companies in the adjustment is increased. He said, however, that "there may be some justification" in stock companies declining to permit mutuals and reciprocals to use their adjustment facilities when stock companies are not interested in the loss.

Avoid Competition

"Avoid competition in adjustments," he said, "whether it be between agencies, stock companies, mutuals, reciprocals or among adjusters themselves. Competition in adjustments will, if persisted in, disgrace and destroy insurance. Fight it every time you get a chance and here is hoping no such chance ever comes to you—but it may, now that the stock company bureaus decline to act for mutuals or reciprocals.

"Adjustment bureaus were organized by stock companies for their own benefit—not to benefit their competitors—but how can the stock companies or their agencies suffer if their bureaus furnish proof to the mutuals and/or reciprocals who are on the same risk with them? In such cases the initial adjustment charge to the stock companies is lessened by the pro rata charge to their competitors; they benefit further when they receive indirectly through their bureaus the sums paid by their transient patrons; in others words, such action lessens their adjustment expense by double the amount they collect from mutuals and reciprocals on the same risk with them.

Competition Obviated

"In addition to the financial benefit, competition in the adjustment is obviated and neither stock companies nor their agents need fear that the adjusters employed by them will by any act or word or deed attempt to advance the cause of their competitors.

"If the mutuals and reciprocals write an entire line, to the exclusion of stock companies, then the latter may be justified in declining to allow them the use of their adjustment facilities, but when the line is mixed there appears no good reason for such action."

Mr. Erion said that mutuals are instructing their adjusters to complete adjustments upon their first visit when there is no question of integrity involved. He approves of this. The usual course, he said, is for an adjuster to pay a short visit to the assured and instruct him what to do. Returning later he often finds that the assured has misunderstood his instructions and he then gives more instructions. Eventually, after considerable delay, the adjuster undertakes seriously to complete the work. There is likely to be much bickering which is distasteful to the assured.

Agent and Adjuster

Mr. Erion said that the purpose of adjuster and agent should be identical. They should both be actuated with the desire to see that justice is done the claimant and to insurance. He reported

(CONTINUED ON PAGE 11)

Prominent Adjuster at Illinois Meeting

FRANK L. ERION, Chicago

Frank L. Erion of Chicago, one of the leading independent adjusters of the country, was a speaker this week before the Illinois Association of Insurance Agents. Mr. Erion has contributed liberally to the literature of the business and his articles and talks on adjustments have attracted wide attention.

Pacific Board Is in Session

Semi-annual Meeting Considers a Number of Important Subjects Including Constitution Change

SAN FRANCISCO, Nov. 4.—The semi-annual meeting of the Pacific Board is being held Thursday, Nov. 5, in the board's headquarters here. Among the subjects under discussion are amendments to the constitution to add motor vehicle and aircraft damage to its jurisdiction; facultative reinsurance, credit rule and separation and relief. There is considerable comment on the street here on the reinsurance question.

The required number of signatures to put the new earthquake rates and rules into effect here have not yet been obtained. However, in the face of fire insurance conditions related to this, the street is sanguine over the result. It is stated here by coast executives that unless some revision satisfactory to companies and assureds is completed the chaotic conditions in fire insurance will become even more intense and distracting.

Phases of the Valuation Question Are Brought Out

As a contribution to the highly interesting question of security values to be used by companies in the submission of their annual statements for 1931, "The National Underwriter" has received the subjoined from an executive of one of the leading casualty and surety companies of New York City, who presents certain angles of the matter that perhaps have not been considered by the underwriting fraternity generally.

The propriety of using June 30 values indiscriminately under present abnormal conditions raises many debatable questions and arguments pro and con can be put forth with much effectiveness. No doubt the underlying purpose is to conserve the earning power of our industry and not to permit institutions to be liquidated by reason of what is believed to be a temporary situation with respect to security values. To destroy that which has real potentialities in good-will and earning capacity created through many years of honest and painstaking endeavor is indeed a very serious matter. Every effort of a constructive nature should be made to prevent the collapse of apparently sound institutions. Relief measures should therefore be availed of by supervising authorities under present day conditions, but with the utmost care and discrimination.

Resort to Average Values Was Made in the Past

It seems that in the past the method applied to alleviate the distress of companies, temporarily embarrassed, has been the adoption of so-called average values. It was, therefore, quite natural that such relief measures should be considered appropriate today.

It has been stated in effect by the committee on valuations of the National Convention of Insurance Commissioners that June 30 values more accurately reflect the intrinsic worth of securities than those obtaining at the present time, hence it is not only appropriate, but the part of wisdom, to use such values in measuring the financial condition of a company as of Dec. 31. Unquestionably, this permitted procedure has been considered one of expediency. Therefore, the question has naturally been raised by some as to whether it is truly expedient to adopt values at this time other than those actually reflecting the sale prices of securities on statement date.

Many Factors That Must Receive Careful Attention

There are many factors which must necessarily be considered when weighing this matter in the interest of all concerned. Will the insurance business as a whole, embracing the insuring public, be the gainer by the adoption of artificial or so-called fictitious values? For, it is certain that such a valuation rule generally applied, cannot represent with any degree of certitude what may reasonably be hoped for in the future with respect to higher security values. Possibly, in some cases, a company's stock portfolio is of a character to warrant the belief that in time higher values will obtain. But no doubt, this will not be true in the case of others. In either case, however, the effect of adopting this measure of expediency is to capitalize anticipated recoveries—something very intangible—something negligible in so far as such artificially created assets may be available for the payment of losses or claims. Nothing, therefore, of substance will be added to a company's financial structure.

It is evident that any surplus reported that is not pure gives a fictitious appearance of strength to the financial statement which is misleading to the insuring public. Of course, it is apparent that the weaker the securities are, the greater relatively has been their decline since June 30. Hence the weaker the portfolio, the greater will be the amount capitalized to surplus account. It is evident, therefore, that a company may be in a very serious condition from the standpoint of underwriting commitments and yet display what appears to be a satisfactory statement to its policyholders and claimants. At best, it is a dangerous expedient to temporize when no one can foretell with any reasonable degree of accuracy, what the near or immediate future will be.

Examinations of companies by state authorities are always made on a so-called liquidation basis. All liabilities whether actual or contingent, are set up. All assets are appraised at their liquidatable value. The measuring rod is applied with great care and precision. Assets are classified as to their admissibility or non-admissibility. Even premiums in process of collection over 90 days due are disallowed as assets, though it is known that to a considerable extent, such premiums are collectible and collateralized by the unearned premium reserve attaching thereto. Bills or notes receivable are not allowed as assets, since these are not collateralized.

Determining Surplus from Sound Protection Standpoint

The whole underlying purpose, therefore, of the application of rigid measures in the examination of companies is to determine surplus from the standpoint of sound protection. This is extremely important when considering the 10 percent limitation imposed by law in respect to the exposure which may be assumed on any one risk.

It would seem that there are other expedients which should possibly be resorted to in order to establish a company on an unimpaired basis when unusual situations arise. Many companies, no doubt, could readjust their capital structure, even down to the legal minimum for the charter powers they may be privileged to exercise. Others might find it necessary to extinguish all liabilities under certain classes of business in order to be privileged under the law to eliminate certain charter powers, thus enabling a reduction in their capital to a new legal minimum. Again, it might be possible to reinsure certain classifications, thus releasing the equities in

(CONTINUED ON PAGE 28)

Company President Is Getting Results

One of the wide awake company executives whose business is increasing right along is President T. H. Reiter of the Illinois National Casualty of Chicago, which writes full cover automobile insurance. Mr. Reiter is a consistent and constructive advertiser in The National Underwriter. Voluntarily he wrote to The National Underwriter under date of Nov. 2 this letter: "We are pleased to advise that we have made several agency connections directly traceable to our advertisement in your paper, any one of which should develop sufficiently beneficial to perpetuate and justify the use of your publication in the development and expansion of our interest, thus substantiating the slogan, 'It Pays to Advertise.'"

AS SEEN FROM CHICAGO

ATLANTIC MUTUAL BRANCH

The Atlantic Mutual, one of the oldest and largest marine companies, has established a Chicago branch office under Carlisle H. Boger in A-840 Insurance Exchange building. Until recently the company had operated exclusively from the head office, but branches have now been set up in Boston, Philadelphia and Cleveland, as well as Chicago.

Mr. Boger's entire insurance experience has been with the Atlantic Mutual, having been in its service 14 years. He has done some field work and for a time more or less specialized in yacht insurance. The Atlantic Mutual writes exclusively hull, cargo, yacht and inland transportation.

* * *

COLLECTIONS MORE DIFFICULT

With more banks suspending and collections becoming even more acute, agents are finding it more difficult to collect premiums. Companies have been quite lenient but some have arrived at the point now where they are insisting that a policy be canceled unless the premium is paid within a certain time. The companies find that where credit is extended too long it is almost hopeless to expect any compensation. Therefore many are urging local agents to watch this factor more and more and cease giving free insurance.

* * *

TO HOLD ANNUAL MEETINGS

The Life Members Society of the Fire Underwriters Association of the Northwest has now completed its arrangements for the annual meeting to be held at the Palmer House, Chicago, next Tuesday evening. Clarke Munn, manager of the Cook County Loss Adjustment Bureau, is president. At luncheon that day the Minndakowis Tribe will hold its annual meeting.

* * *

CURRY INTO EXCHANGE

The John O'L. Curry Company, adjusters of fire losses for the assured, have moved into commodious quarters in the Insurance Exchange room A-2007. Before entering public adjusting, Mr. Curry was in real estate and insurance in Chicago, operating as the Andrew B. Curry Company for 37 years. He opened an office about a year and a half ago and has associated with him Wallace H. Lancton, who has been in public adjusting for ten years; C. C. Gardner and Joseph Nerney, both of whom have been connected with the Underwriters Adjusting. All of these men are well known to the insurance fraternity.

* * *

INSURANCE CLUB PROPOSAL

A meeting of the Insurance Club of Chicago will be held in the club rooms Nov. 6, starting at 7 p. m., for the purpose of considering a plan to put in effect a considerable reduction in dues, Secretary D. A. Drury announces. There will be no dinner but only a business meeting. Secretary Drury stated several interesting announcements as to future activities in the club may be expected. The club has been more or less dormant for several months and the lack of interest seriously affected the membership roll. The proposal to cut the dues it is hoped will stimulate membership. It is planned to have a series of interesting monthly talks by well known and informed insurance men during the winter season.

* * *

CHICAGO AUTOMOBILE THEFTS

There has been much discussion as to the increasing number of automobile thefts in Chicago especially starting Aug. 1. During three months ending Oct. 31 there were some 10,000 cars reported stolen. The city administration is endeavoring to cope with the situation but owing to the unemployment condition undoubtedly recourse is being made by many to stealing cars. Those that have had no criminal instincts are resorting to drastic means to get money. Conditions from a theft standpoint undoubtedly are made more serious because of the large number of cars that are kept on the street all night and have no permanent garage or parking place outside of the street. The new administration has appointed a police executive in charge of the automobile theft division and he has been studying the situation carefully.

Insurance companies declare that one of the worst features confronting them are the dealers or garages that are really fences for stolen automobile parts. Thieves will strip a car of everything removable and sell the equipment to a dealer who knows or at least suspects it has been stolen. He gets rid of it at greatly reduced prices. Sometimes in case of a Ford the equipment that can be taken off is worth as much as the rest of the car. Companies have been urging that a rider be placed on policies allowing the assured only 75 percent in case a car is kept in no permanent garage. The Chicago Local Agents Association and company representatives have been in conference to see what could be done but no decision has been reached.

* * *

YOUNG TAPPER FOOTBALL STAR

Buddy Tapper, son of R. W. Tapper, manager of the Rhode Island group at Chicago, has gained much fame as captain of the Glenbard high school football eleven, his team not having been scored against so far this year. This is the high school for Glen Ellyn and Lombard, western suburbs of Chicago. This team is a member of the Western Suburban League. Young Tapper plays fullback and is in his senior year. He has received much publicity in the papers and is regarded as one of the most resourceful players that the western suburban high schools have produced for some time.

* * *

KLEE ON WAY HOME

Nathan Klee of Klee, Rogers, Loeb & Wolff of Chicago sailed for home Nov. 6 and will arrive in New York this week. Mr. Klee went on a trip abroad and has been gone about six weeks.

* * *

Assistant Manager **D. H. Dresser** of the National Fire of Hartford in the west, who has been spending his vacation at Hot Springs, Ark., has returned to his office.

Old Timer

CLARKE MUNN

Clarke Munn, manager of the Cook County Loss Adjustment Bureau of Chicago, will preside over the annual meeting of the Society of Life Members of the Fire Underwriters Association of the Northwest in Chicago next Tuesday evening. Mr. Munn's father, the late E. V. Munn, was for many years secretary of the Northwest association.

NEWS OF THE COMPANIES

Will Reduce Its Capital

National Union Fire Will Vote to Add $2,750,000 to the Net Surplus Account

PITTSBURGH, Nov. 4.—Stockholders of the National Union Fire at a special meeting Dec. 30 will pass upon the recommendation of their directors that "the authorized capital be reduced from $10,000,000 (of which $5,500,000 is outstanding) to $2,750,000," all outstanding stock in excess of the latter sum to be cancelled, "to affect all holdings there of pro rata." It is further proposed to reduce the par value of the stock from $100 to $50 per share. Should shareholders sanction the proposals the $2,750,000 taken from capital will be added to net surplus, increasing the latter item by that amount.

National Security Changes

B. A. Jochen Becomes Underwriting Manager in Home Office Territory—Ohrt Elected Assistant Secretary

P. K. Walsh, vice-president of the National Security Fire of the North America group, announces the election of B. A. Jochen as underwriting manager of the company in the home office territory with headquarters at Omaha. Mr. Jochen will continue his activities as field superintendent for the North America as well as his engineering work. He will relieve Mr. Walsh of the underwriting supervision of the home office.

Richard Ohrt has been elected assistant secretary in charge of home office underwriting. He has been with the National Security as superintendent of agencies.

American National Directors

COLUMBUS, O., Nov. 4.—C. R. Street of Chicago and G. D. Gregory of Columbus were elected directors of the American National Fire at a meeting this week. Mr. Gregory is secretary and vice-president. Mr. Street is vice-president of the various Great American companies and is western manager at Chicago. Mr. Gregory is the underwriter and manager in charge at the head office.

Two Companies to Combine

North River and Transportation of the Crum & Forster Fleet Will Soon Unite

The Transportation of New York, one of the Crum & Forster companies, is merging with the North River. The directors of the North River and Transportation, both being members of the Crum & Forster group, have approved an agreement to merge the two under the name of the North River. The stockholders will meet early in December to act on the matter. The consolidated company will have capital of $4,000,000 divided into 800,000 shares of a par value of $5 each. Of these 155,200 will be issued to stockholders of the Transportation in exchange for their 200,000 shares at $10 each. The North River is one of the old New York companies, having started in 1822 and been continuously in operation. The Transportation started in August, 1927. The North River is one of the strong companies of the Crum & Forster organization.

U. S. Supreme Court Will Hear Gasoline Warranty Case

WASHINGTON, Nov. 4.—The U. S. Supreme Court consented to review the case of St. Paul Fire & Marine vs. Sophia C. Bachman, involving the question whether the company could avoid a policy for breach of warranty, if the owner of the property had no knowledge of the breach.

The policy contained a warranty providing for the forfeiture of the policy if gasoline or other dangerous articles were kept or used on the premises. Later a rider was attached to the policy permitting the use of gasoline, and specifying that the building would be occupied for bottling automobile oils, for offices and other mercantile purposes, which are not more hazardous. The premises were leased to another person, who used gasoline in operating a moonshine still. An explosion occurred, and the building was damaged by fire. The company disclaimed liability, but the circuit court of appeals for the 4th circuit held that the insured could recover unless it could be shown that the use of gasoline for purposes more hazardous was within the knowledge and control of the insured.

Blue Goose Hears Tax Talk

DES MOINES, IA., Nov. 4.—Representative Ed Brown of Polk county spoke on "Tax Reduction" before the Iowa Blue Goose Nov. 2. He was introduced by Charles E. Wherry, most loyal gander.

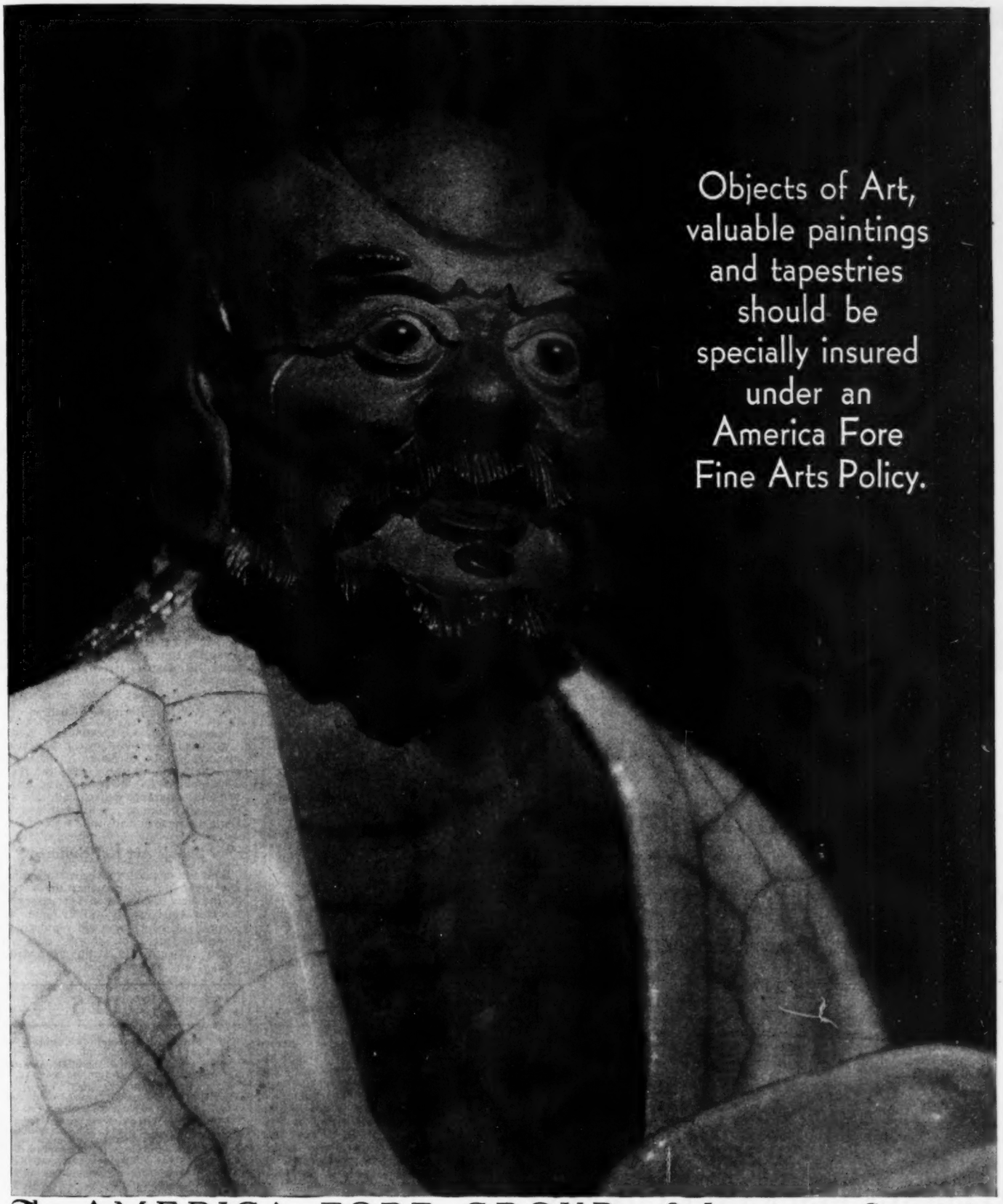
The **Robert L. Marshall Realty & Insurance Company** of Mobile, Ala., was burglarized, a safe being battered open and $200 stolen.

Mutuals' Advertising Conference

The 1932 meeting of the conference and exhibition of mutual insurance advertising will be held in Columbus, O., in conjunction with the annual conventions of the National Association of Mutual Insurance Companies and the Federation of Mutual Fire Insurance Companies, according to J. M. Eaton, director of the 1931 advertising conference, held this month in Chicago.

The session will be divided into four general parts: Mass advertising (newspaper and radio); class advertising (magazines), direct mail, and propaganda. As an additional feature of the conference, mutuals will exhibit advertising campaigns successfully used in 1931-1932. Awards will be presented to the winners in the various divisions, which include newspaper, direct mail and house organ exhibits.

Members of the Federation of Mutual Fire Insurance Companies and the National Association of Mutual Casualty Companies will not reduce the volume of advertising for the coming year, said Mr. Eaton. At a recent meeting in White Sulphur Springs, W. Va., they recommended the use of newspaper campaigns for local companies, tied in with the national campaign conducted by the American Mutual Alliance.



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THE CONTINENTAL INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY
NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE

ERNEST STURM, Chairman of the Boards
PAUL L. HAID, President

Eighty Maiden Lane, *New York, N.Y.*

THE FIDELITY AND CASUALTY COMPANY
ERNEST STURM, Chairman of the Board
WADE FETZER, Vice Chairman
PAUL L. HAID, President

NEW YORK — CHICAGO — SAN FRANCISCO — ATLANTA — DALLAS — MONTREAL

Clearing the road to more Automobile business for The Alliance Agent.

THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA

Head Office: 1600 Arch Street, Philadelphia

CHICAGO 209 W. Jackson Blvd. | SAN FRANCISCO 231 Sansome Street | ATLANTA 8th Floor, Hurt Bldg.

CHANGES IN THE FIELD

Fuessel Gets More States

Missouri State Agent of Rhode Island Group Now Has Oklahoma and Kansas Also

Owing to the fact that the Rhode Island group desires to combine its field arrangements in Missouri, Kansas and Oklahoma, F. G. Fuessel of St. Louis, who is state agent in Missouri, will now also have the other two states. This means the retirement of C. E. Bleckley, Kansas and Oklahoma special agent. Mr. Bleckley is the present most loyal gander of the Kansas Blue Goose. He formerly assisted State Agent S. F. Woolard of the American Central in Kansas and Colorado.

Ohio Managers Named

The General of Seattle group has appointed J. J. Sherman and W. F. Staler as managers for Ohio, with headquarters at 513 Bulkley building, Cleveland, and at 416 Gardner building in Toledo. Both Mr. Sherman and Mr. Staler have had wide experience in the Ohio field. Mr. Sherman for the past eight years represented the National Union group as state agent in Ohio. Mr. Staler previously operated in Toledo the general agency of W. F. Staler & Co., who specialize in surety bonds.

G. A. Rydquist, who has been in charge of Ohio and Indiana, will continue to supervise Indiana.

American in Indiana

In the future, all Indiana business of the American of Newark will be supervised by J. A. Bawden and C. J. Richman, state agents, assisted by C. R. Dobbins as special agent for the territory.

L. D. McConnell, formerly farm state agent for the American, has retired to enter the independent adjustment field. Fred Miller, who formerly assisted Mr. McConnell, has also resigned. His successor will be announced soon.

R. C. Parker with Agricultural

The Agricultural has appointed R. C. Parker special agent in central New York, with headquarters at Syracuse.

Late News from the Casualty Field

Form Malpractice Mutual

A certificate of incorporation has been filed with the New Jersey department by the Dentists & Physicians Insurance Company of Jersey City, a mutual, which will write malpractice coverage for both dentists and physicians.

Dr. Aaron Gelber is president; Daniel Gelber, treasurer, and Dr. Louis J. Gelber, secretary, with David B. Cohen of Newark as attorney. Directors in addition to the officers are J. W. Stacy and Samuel J. Fox.

Claim Men Hear Safety Talk

KANSAS CITY, MO., Nov. 4.—Twenty-five adjusters members of the Kansas City Claim Adjusters Association, heard F. C. Lynch, manager of the Kansas City Safety Council, talk Monday on accidents and their prevention.

E. L. Kearney, manager of the Aetna Casualty claim department and president of the association, presided. H. M. Shugart is vice-president, and J. D. Reeves of the Maryland Casualty is secretary-treasurer. The organization has approximately 50 members.

Joins Brokerage Firm

NEW YORK, Nov. 4.—R. C. Chace and M. U. Roberts have been elected vice-presidents of H. T. E. Beardsley, Inc., general insurance brokers of this city. Mr. Roberts will have charge of the fidelity and forgery department and Mr. Chance the blanket bond division. Both were formerly associated in business with the late Col. G. U. Pope. Mr. Beardsley is a veteran surety underwriter, being officially designated by surety companies as one of the seven specialists in the line here.

Must Review Case Again

SIOUX CITY, IA., Nov. 4.—The Iowa supreme court has ruled that certain points of the American Bonding & Casualty receivership case should be reheard. The lower court decided the dispute arising over the attempted merger of the Chicago Bonding with the Sioux City company in favor of the receiver. The supreme court holds that certain points which were brought up by the Chicago Bonding claimants should be reviewed again in the lower court.

F. & D. Veteran Dies

Seymour Mandelbaum, 84, the last survivor among the original founders of the Fidelity & Deposit, died at his home in Baltimore Sunday. The company's offices were closed Tuesday afternoon for the funeral. Mr. Mandelbaum served as a director of the company from the time of its organization in 1890 until his death. He was also a vice-president of the Maryland Casualty.

Accident Business Reinsured

The National Protective of Kansas City has reinsured the entire accident business of the Missouri National Life of Jefferson City, Mo. The transfer of 3,000 policies has been approved by the Missouri insurance department. The Jefferson City company will limit its activities strictly to life insurance.

Illinois Act Not Nullified

The Illinois attorney general's office has given an opinion that the section of the new qualification act passed by the last legislature providing for an appropriation, which was not regularly included in the legal course, does not nullify the entire act. It therefore stands without any appropriation.

NOTES

The **Standard Marine** of England has been licensed in Maryland.

The Nebraska Fire Prevention Association will inspect Columbus Nov. 12.

T. J. Brownfield, 78, local agent at Douglas, Wyo., for 20 years, died suddenly.

Thomas L. Wilson, who served for six years as deputy state fire marshal of Nebraska, being recently released when a change of administration occurred, died recently at his home in Omaha, aged 61.

Sam Major, formerly in charge of the insurance department of the Bankers Mortgage Company in Kansas City, Kan., has reentered the insurance business for himself and has established his own agency in that city.

Following the recent death of **F. A. Canfield** of Syracuse, N. Y., his widow announces that the business of the agency, which was established in 1919, will be continued under the name of Frank A. Canfield & Co., with J. C. Heitman as manager.

George Osman, Gary, Ind., has sold his half interest in the firm of Oberdorfer-Osman to J. A. Obendorfer, his former partner. Mr. Osman has established his own agency at 812 Gary State Bank building.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

DEMAND FOR RIOT POLICIES

Inquiries from some of the large department stores of the country have been coming to fire offices as to the character of riot and civil commotion coverage and the rates charged, indicating to companies that the line might be pushed to advantage just now if the field force could be induced to make the effort. The feeling apparently is held by some of the inquirers that with the appearance of cold weather rioting by the unemployed might develop with the possibility that before proper police protection could be afforded considerable looting of food and clothing establishments might result.

The riot and civil commotion policy contains a 90-day cancellation clause, insuring on the one hand the collection of an earned premium by the companies, and on the other, guaranteeing the policyholder that his contract cannot be terminated at the approach of trouble.

* * *

CENTRAL BUREAU'S WORK

The success of the Central Bureau in enforcing the collection of earned fire and casualty premiums has induced the suggested extension of the movement, the proposition of B. R. Mowry, manager of the bureau, being that following a second default in the payment of a premium by an assured, he be treated as a cash customer in all future transactions until settlement of the amount in which he is in default be had. When the suggestion was submitted at a gathering of the General Brokers Association it was cordially endorsed. The casualty men have taken it under advisement and will discuss its merits with the National Bureau of Casualty & Surety Underwriters.

Prior to the formation of the Central Bureau, which operates with the authority of the insurance department, to which it is directly responsible, the annual loss suffered by fire and casualty companies through earned premium defaults, ran into substantial figures, a condition largely corrected in recent years by virtue of the bureau's activities. So effective has the organization been that not a few officials would like to see the plan extended to other centers of the country, confident that if this were done the interested companies would not only profit through increased receipts but the time now spent each year in rounding up collections, could with great advantage be utilized in other directions.

* * *

SUCCEEDS H. G. LEONARD

John M. Francis, who for more than two years has been New York editorial representative of the "Insurance Field" of Louisville, has joined the New York "Journal of Commerce," succeeding the late H. G. Leonard, who died recently. Mr. Francis had daily newspaper experience in Louisville before joining the "Insurance Field."

* * *

AGENCIES IN CONSOLIDATION

Consolidation of the New York City local agencies of Howie, Jarvis & Wright and Crehore & Richardson has been consummated under the title Crehore & Richardson. The two agencies have occupied the same offices at 101 Maiden Lane for several years, but have maintained separate identities. A. B. Crehore is president of the merged concern. E. S. Jarvis and R. J. Howard are the vice-presidents.

* * *

REPORT ON RAILWAY LOSSES

Fire underwriters, and particularly executives of companies writing railway properties, will be interested in the tabulation of losses submitted by the statistical committee of the Railway Fire Protection Association. During the 12 months beginning Jan. 1, 1930, "there were 8,018 fires with a total loss of $6,127,005. Compared with the year 1929, these figures show an increase of 22 percent in the number of fires. The reported loss proportioned as to the total membership mileage gives us an estimated total loss of $6,871,477, an increase over the previous year's comparable figure of 29 percent. We still, however, show a 21 percent decrease under the average estimated loss for the 10 year period 1921-1930 inclusive."

One of the most destructive railway fires that occurred during the present year was the burning of Aurora, Ill., property of the Burlington on Sept. 2, entailing a total loss of $600,000. The fire ranks next to the destruction by fire of the Indianapolis shops of the New York Central some 12 months earlier, when the damage approximated $780,000.

* * *

GET OUT PRACTICAL BOOKLET

The London Assurance and Manhattan Fire & Marine have issued another of their educational booklets. The latest one is entitled "Credit and Collections." This takes up a most interesting and vital subject these days. Everyone in the business is interested in it. This follows in a practical way plans for collecting and deals with the credit situation from a local agent's standpoint.

* * *

BLAINEY JOINS NATIONAL UNION

James C. Blainey has been appointed special agent of the National Union Fire for the New York suburban field with headquarters at 60 John street, New York. Mr. Blainey has had an experience of approximately ten years as special agent in various sections of the country, more recently representing the National Liberty in western Pennsylvania and subsequently the Corroon & Reynolds group.

* * *

WILLIAM QUAID'S ANALYSIS

William Quaid, vice-president of the Southern Fire, gives an analysis of some of the figures of the Home of New York over a period of years. He says:

The preservation of records over a long period of years is valuable in that it gives an opportunity for comparison and analysis which is often both interesting and valuable. The carefully preserved records of the New York insurance department enable us to visualize the changes and accomplishments that have been made in the fire insurance business.

The insurance department's records offer no more interesting comparison than the expense of conducting the fire insurance business. The figures given below are taken from the New York insurance department's published annual statement of the Home for the years 1865, 1900 and 1929, and are expenses to premiums written for the respective years:

	Percent		
	1865	1900	1929
Commissions	11.3	17.7	26.1
Salaries	6.7	8.5	4.2
Taxes	4.4	3.3	4.1
All other expenses	6.9	9.9	6.9
Total	29.3	39.4	41.3

The outstanding feature of these statements is, of course, that from 1865 to 1929 there has been an increase in commissions of 14.8 percent, or 130 percent increase, while deducting commissions from the total expense there has been a decrease in the expense of operating the company of 2.8 percent, or a decrease of 15 percent, over the same period.

* * *

I. U. B. TO MEET DEC. 3

The annual meeting of the Interstate Underwriters Board will be held Dec. 3. The decision was made by the governing committee at its last meeting. The governing committee will meet Dec. 2.

C. M. Talbert of the Standard Underwriters Agency, St. Louis, has been reappointed on the St. Louis city plan commission for a four-year term.

FIRE ASSOCIATION OF PHILADELPHIA

THE RELIANCE INSURANCE COMPANY

VICTORY INSURANCE COMPANY

All of *Philadelphia*

OTHO E. LANE, *President* JAMES G. MACONACHY, *Vice-President*

CONSTITUTION INDEMNITY COMPANY
OF PHILADELPHIA

OTHO E. LANE, *President*

FRANKLIN VANDERBILT, *Vice-President and General Manager*

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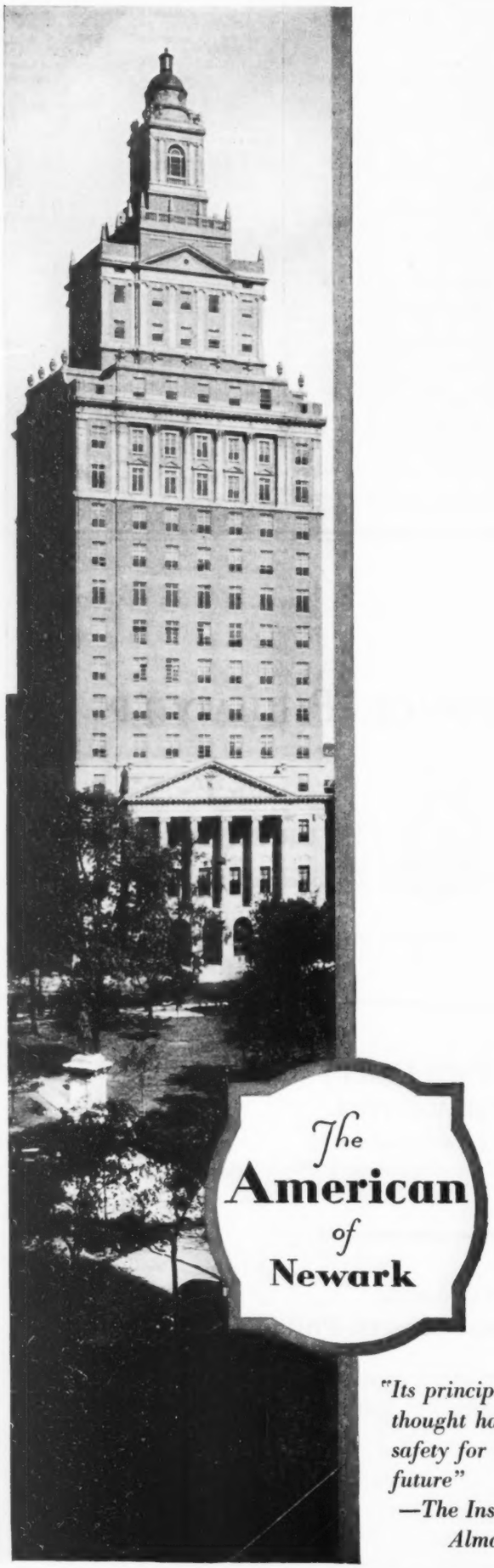


"Its principal thought has been safety for the future"
—The Insurance Almanac

THE AMERICAN GROUP — American • Bankers • Columbia • Dixie

Plans for Barry Dinner

Alfred Hurrell, vice-president and general counsel of the Prudential, has been chosen as toastmaster for the testimonial dinner which will be tendered James Victor Barry, retired third vice-president of the Metropolitan Life, by the insurance fraternity of the country in New York City at the Waldorf-Astoria the evening of Dec. 9. Mr. Hurrell is a warm personal friend of Mr. Barry and, in fact, the two men roomed together for a while when Mr. Hurrell was connected with the association of Life Insurance Presidents.

List of Speakers

President F. H. Ecker of the Metropolitan Life will speak for that company. Frederick Richardson, United States manager of the General Accident, will speak for the casualty people. United States Manager C. F. Shallcross of the North British & Mercantile will represent fire insurance. Insurance Commissioner C. D. Livingston of Michigan will represent the National Convention of Insurance Commissioners. It is fitting that Mr. Livingston perform this pleasant function as Mr. Barry is a former Michigan commissioner. Mr. Livingston is a former fire insurance field man of the state and is a long time personal friend of Mr. Barry. Col. Joseph Button, president of the Union Life of Richmond, Va., former commissioner of that state and for many years secretary of the National Convention of Insurance Commissioners, will speak for former state officials. Homer Guck, president of the Chicago "Herald-Examiner," a former Michigan newspaper man, will speak for the newspaper people.

Invitations are Long Out

Invitations for the dinner will go out this week. The committee realizes the impossibility of reaching everyone who should be invited. Therefore Henry F. Tyrrell of the Northwestern Mutual Life, who is general chairman of the committee, requests that those who do not receive invitations but who desire to attend the dinner should address C. C. Klocksin, Waldorf-Astoria hotel, New York, who is chairman of the committee on invitations. J. S. Phillips, former New York insurance superintendent and now president of the Great American Indemnity, is chairman of the committee on arrangements in New York.

La Salle Is in Deal with Inter-Ocean Reinsurance

NEW YORK, Nov. 4.—Business of the La Salle Fire of New Orleans, together with that of the related Bankers & Merchants of Mississippi and of the Bankers & Merchants Underwriters of the La Salle Fire, outside Mississippi, has been reinsured in the Inter-Ocean Reinsurance of Iowa. The Mississippi risks of the companies were ceded to the North British & Mercantile a short time previously. It is understood that the La Salle is to be used principally for the writing of joint automobile policies with the Union Indemnity, both companies being members of the Insurance Securities group of New Orleans.

Merger Is Completed

NEWARK, Nov. 4.—The Public Fire announces that the shares in excess of 38,000 of the Great Lakes Fire of Chicago had been deposited under the agreement whereunder control of the company passes to the Newark organization. The merger, which was announced last month, provides two shares of Public Indemnity stock, operated as a running mate of the Public Fire, in exchange for each share of Great Lakes. Stockholders of the latter have the option of taking $10 in cash and one share of Public Indemnity.

Join Fort Wayne Agency

O. M. Spaid, assistant manager of the Travelers Fire at South Bend, Ind., has resigned to go with the Old National Company at Fort Wayne, Ind., as manager of the fire and marine department of that agency. John Scudder, who has been special agent of the United States Fidelity & Guaranty, has also gone with the Old National Co. as manager of the casualty and surety department.

State Action Awaited

NEW YORK, Nov. 4.—Approval of the proposed merger of the Knickerbocker and the Brooklyn Fire, both of the Corroon & Reynolds fleet, having been given by the stockholders of the respective companies Nov. 2, the deal simply awaits the sanction of the New York department to make it fully effective.

The **Associated Mutuals** have opened a branch office in Augusta, Ga. James H. Roberts is manager.

Tennessee Card Completed; C. H. Love Added Speaker

C. H. Love, Tennessee fire marshal, is to address the annual meeting of the Tennessee Association of Insurance Agents at Knoxville Nov. 12-13, in addition to the speakers previously announced. The program, which is completed, is in the form of a fire insurance policy and is ingeniously arranged.

Clarence Templeton is to be toastmaster at the banquet. The address of welcome is to be delivered by Mayor J. T. O'Connor of Knoxville. C. B. H. Loventhal, national councilor, will make the response. J. M. Dean will report as president and Miss Julia Hindman as secretary-treasurer. Allan Fisher will report as chairman of the executive committee; Joseph Tobin, public relations committee; G. A. Caldwell, grievance committee; A. V. Patton, membership.

Recent entries in the **inter-chamber fire waste contest** conducted by the National Fire Waste Council, under the auspices of the insurance department of the Chamber of Commerce of the United States, are Dodge City, Kan., and Hamburg, Pa.

DO NOT FAIL

to communicate with me if you are interested in establishing an insurance agency or department or can use the services of a high grade manager-producer type in your present organization in any worth while capacity. Experienced in all lines. Future paramount to present salary. Will locate anywhere. Best of references. Available on 30 days notice. Address **U-40** The National Underwriter.

Fire Insurance Examiner ten years experience in the Western Department at the Home Office of a well known company desires permanent position. Address **U-42,** The National Underwriter.

MAN

with thorough knowledge of casualty and surety business would like to associate with general agency or large local agency. **Would prefer connection with possibility of purchasing future interest.** Will locate anywhere. Fifteen years' experience. Address **U-41,** The National Underwriter.

Erion's Views on Mutual Loss Ban

(CONTINUED FROM PAGE 5)

a company executive as saying that 10 to 15 percent of the agents were inclined to align themselves with claimants, whether they were right or wrong. The action of this minority, he said, has caused the opinion in company offices that agents are nearly always inimical to the interests of the companies.

Mr. Erion emphasized the great service that an agent could perform in properly introducing the adjuster to the assured and advising the assured that it is the conscientious desire of the adjuster to find the truth and equity so that justice may be done.

The speaker condemned the type of adjuster who sees himself as a mystery story detective. Some adjusters, he said, are inclined to boast of their conquests and always picture the assured as a villain. This attitude has done the business much harm, he said.

"Agents and adjusters must cooperate in kindly spirit if they wish to uphold the dignity of the insurance business and preserve the confidence of the public and thus increase rather than diminish the volume of desirable premiums upon which we all depend for remuneration. An eminent manager said to me shortly after I started in adjustment work, 'Remember, young man, we all live off premium income.' That remark, spoken kindly, made a deeper impression than was made by any other instruction offered or forced upon me. That same manager, however, would contest any claim that carried even a tinge of fraud or apparent effort to gouge his company."

Quotes Unjustified Criticism

Mr. Erion quoted a New England publication which made the criticism that since insurance companies during the past 38 years paid back in losses 57 cents out of every dollar received for premiums, the other 43 cents was appropriated for its own use and that this is an outrageously high rate of overhead expense.

Mr. Erion pointed out that the editor neglected to deduct from the 43 percent, taxes, which range from 4 to 6 percent of premiums; selling expense of 25 cents; adjustment expense of 1 cent, leaving only 12 cents for the companies to operate their general office and field force.

The cost of insurance can only be reduced, he said, by lower loss ratio or lower tax ratio.

The popular notion is that insurance benefits largely by banking and financial operations, Mr. Erion declared, but the last two years have exploded that notion. To be safe and sound insurance must be conducted on the theory that the entire cost must be borne by premiums. The public should realize that insurance is entitled to an underwriting profit.

Overpayment Is Worse

Overpayment of losses, according to Mr. Erion, hurts the insurance business more than underpayment, because overpayment causes the business man to question the reliability of the institution which pays more than it owes.

The adjuster can help the agent when a loss is paid where the property owner was underinsured. The adjuster should pay the amount of the insurance with a smile and in a gracious manner which will cause the claimant and his neighbors to realize the wisdom of keeping property well insured.

Mr. Erion condemned the sort of adjuster who boasts that no loss is total to insurance and that no matter how much the actual loss may exceed the amount of insurance he can settle with any claimant for less than the face of his policy. These adjusters would be eliminated if it were not that they prepare reports maligning the assured and deceiving the company's officials. These adjusters adversely criticise the assured for the purpose of illustrating their own supposed accomplishments and to justify their bills. This practice will continue until insurance companies recognize that adjusters worthy of representing them should be paid an income placing them above temptation.

Another dishonest practice is delaying the adjustment in order to charge up more time than is really necessary. He related the story of four adjusters who spent five days on a loss. They made up their own figures on the loss for presentation to the assured and three of them decided that they should wait for two weeks because if the adjustment was closed too quickly they could not justify their charge. The fourth adjuster, however, insisted on presenting his figures which were accepted. The others waited three weeks before making up their proofs.

Mr. Erion declared that fraud losses should be contested to the limit and exaggerated claims should be reduced to an equitable basis regardless of the length of time necessary to accomplish that purpose. Fraud losses can usually be detected very soon. He said that an atmosphere or odor surrounds them. For instance, in a big institution if the adjuster is permitted to talk to only one man, the records are brought in piecemeal and the officials are reluctant to give the adjuster free access to the records, there is cause for suspicion. Invoices and records cannot always be depended upon to establish values and the adjuster must have a good general knowledge if he is worthy of his responsibility.

Ingenuity Is Tested

Small mercantile fires, household fires and especially closet fires are those which try out the ability, ingenuity and knowledge of the adjuster, he said. Yet this is the class of losses generally assigned to young adjusters and usually considered unimportant. Small merchants and householders easily secure fake invoices, he said, from some of those with whom they deal. He told of a recent closet fire loss in Chicago where by means of false invoices the loss was made to appear to be $1,600, but the adjuster found the true value to be less than $300.

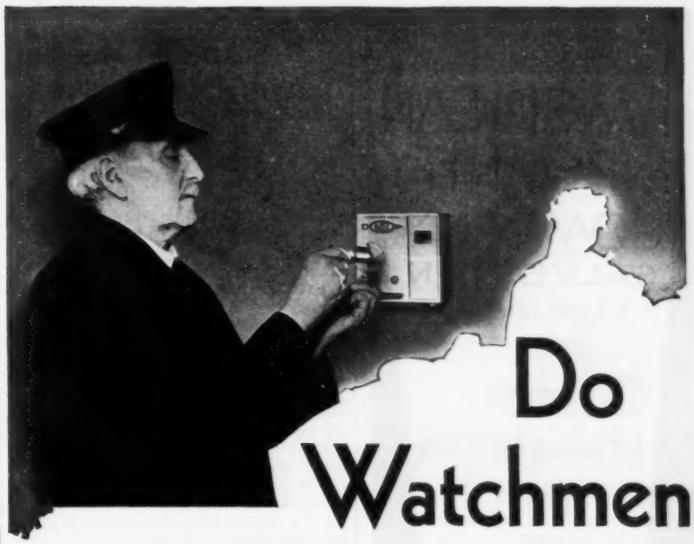
An inexperienced adjuster should travel for some two to five years with an experienced man before he is sent out on his own. Otherwise small losses are bound to be overpaid. He said that more than 75 percent of all fire losses are less than $100. It is to these small losses that inexperienced adjusters are sent, he said, and thus more than 75 percent of fire losses are adjusted by those of limited experience.

Small losses cause more trouble because they are usually those of persons who do not have the general knowledge of executives of commercial enterprises and these are the losses that are handled by inexperienced men.

Mr. Erion warned agents against promising the assured that the contract covers things which it does not. The adjuster often has difficulty when he has to disillusion the assured. While the adjuster is attempting to make the assured understand the terms of the contract, which were misrepresented by the agent, the agent is very likely to be writing to the company to criticize the adjuster.

Mr. Erion advises the agent writing the prospective client a letter, setting forth in much detail what insurance he needs and why, quoting the rates, amount of premium, and so on, and calling upon the client finally to secure the business. Then if the client decides not to carry all the forms suggested, the client should write a letter to the agent setting forth such fact.

"When all policies are well sold and carefully written by agents—and only those well qualified are selected to make adjustments—then will each and every honest loss serve to increase the volume of desirable premiums and thus benefit the agents and companies," he said.



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1383

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C. S. KUHN, Vice President

COMPLETE
AUTOMOBILE PROTECTION
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AND
SURETY BONDS

Desirable general agency contracts available in unalloted territory

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SERVICE

Whatever any other companies do for their agents within the bounds of sound, ethical business and good underwriting practice, we will do.

FIRE
WINDSTORM
AUTOMOBILE INSURANCE

AMERICAN
Fire & Marine
INSURANCE COMPANY
GALVESTON
E. C. FRENCH, Vice President

Illinois Agents' Annual Meeting

(CONTINUED FROM PAGE 3)

He advised the agents to advance less criticism of company management, except where the facts are known and the criticism deserved. Greater recognition should be shown by agents to those companies which respond to the just requests of agents. Commendation should be given companies for favorable acts by the agents. There should be greater appreciation on the part of the agents for the work of the National Association of Insurance Agents. There should be cooperation of the agents to the fullest with company associations. The agent should refrain from being critical of company acts in given localities until a responsible company executive acknowledges the acts and is given an opportunity to explain.

"Let the agent to his own self be true," Mr. Stafford advised.

The companies, according to Mr. Stafford, should speak out plainly, telling the agents why they are doing certain things and why they are necessary. Company organizations should give respectful consideration at all times to the requests of agents.

Insofar as it is possible, the companies should take the agents whole-heartedly into their confidence so that actions may not afterwards be misjudged.

Companies should appreciate the fact that the agent is on the firing line and knows the needs of the buyers.

"Let the companies," Mr. Stafford said, "realize that the loyalty of their agency plant ebbs and flows with the action of the companies, favorable or unfavorable, to the best interests of the business.

"Let the companies to their own selves be true."

President Troxell's Address

In his presidential address R. W. Troxell of Springfield discussed the agents' and brokers' qualifications laws, which were enacted at the last session of the legislature; reported a membership decrease of 50 and urged great activity to approach the 1931 quota set by the National association. He commended the Quincy board for its action in bringing about the cancellation of the policy covering Catholic church property in the Springfield diocese. He commended highly the new administration of the National Union, headed by John M. Thomas, for taking that summary action.

Mr. Troxell expressed appreciation for the work in behalf of the qualification laws on the part of J. H. Doyle, general counsel, and C. J. Doyle, associate general counsel National Board; Alvin S. Keys, chairman of the legislative committee of the Illinois association; Ernest Palmer, manager of the Chicago Board; Superintendent H. W. Hanson and L. H. Lowe, director of trade and commerce.

Mr. Troxell reported that membership is now 385 as compared with 435 in 1927. The total membership should be 655 at the end of this year, according to the quota, he said.

Ives Makes Comparison

Henry Swift Ives, special counsel Association of Casualty & Surety Executives, made his usual defense of private initiative and capitalistic system by comparing dramatically conditions in 1893 and those of today, asking whether that phenomenal progress could have been achieved under a socialistic system. He compared living conditions, transportation, entertainment, medicine, etc.

"The state has had little part in these human achievements, except to the extent that it has afforded protection to personal property, a free and open field for the development of individual initiative and a rewarding of genius," he said.

The expansion of credit resources and facilities required by the new order has been made possible only because of the background of sound and privately operated insurance companies, which constitute the keystone of the credit arch.

The great importance of private insurance has never been better illustrated than during the last two years, he said. It has stood the shock of deflation better than any other enterprise. Its solvency is unimpaired. When it is considered that banks and commercial enterprises have gone down by the hundreds, insurance deserves more credit than it has received.

Insurance has developed under the auspices of a political system which permits the individual to work out his own economic and social salvation with as little interference as possible.

President W. B. Calhoun of the National Association of Insurance Agents brought to the attention of the Illinois gathering some of the practices and policies to which the National association is committed and urged that they be furthered in Illinois.

Reduction of fire waste and accident prevention, he said, is perhaps the most important of the public services which organized agents provide. He mentioned that a closer spirit of cooperation between companies and agents is evident today and he advocated the confidence, cooperation and conciliation method.

Greater attention must be paid to increasing membership, Mr. Calhoun declared. He urged the creation of more local boards and active participation in the reciprocity movement.

Mr. Calhoun urged the agents to classify their companies.

Allan Wolff Gives Report

Allen I. Wolff of Chicago, national councillor, gave a report of the national council conference at the time of the annual convention of the National Association of Insurance Agents in Los Angeles. Mr. Wolff said that while the council did not function as smoothly as it should, hereafter it will have a definite agenda and will have therefore concrete subjects presented to it.

H. J. Leach, chairman organization committee, advocated the appropriation of $500 for the expenses of a membership campaign to be conducted by at least 25 members of the state association, each devoting three days to the work. Mr. Leach passed out pledge cards, asking the members whether they would cooperate in the movement.

Advocates Planning

C. E. Freeman, publicity director of the Springfield F. & M., laid down, in his address, some principles, which he considers fundamental in insurance selling. He emphasized the necessity of setting up a definite objective. The agent should sell a protection program rather than miscellaneous policies here and there. He should study his market and prepare himself to get a larger share of the insurance in that market.

As to increasing production, Mr. Freeman advocated attention to advertising. Regular newspaper advertising in all the papers in the town he considers advisable. Posters are effective. Sign boards he considers of doubtful value.

Mr. Freeman laid greatest emphasis on direct mail advertising and discussed the proper methods for its use.

Montgomery Gives Report

Commendation of the practice of farm communities subscribing for the purchase of a fire truck was contained in the report of C. J. Montgomery of Rock Island as chairman of the fire prevention committee. Attention should be given to farm fire prevention in view of the bad loss record on farm business, he said. These community trucks should be located in public garages for use within a radius of seven or eight miles, the town to furnish the manpower, preferably a crew of five.

Mr. Montgomery recommended that local agents and all local boards cooperate more with the fire department and consult with the fire chief. Agents in towns having fire departments not under civil service should work in behalf of that reform.

Mr. Montgomery highly praised the work of Chief J. W. Just of the Western Actuarial Bureau, who has conducted many training courses and has arranged for fire prevention talks.

Inasmuch as Allan I. Wolff of Chicago, National councillor from Illinois, has been appointed a member of the National association executive committee, R. W. Troxell of Springfield, retiring Illinois president, becomes councillor.

J. G. Yost assistant secretary Fidelity & Deposit, and T. E. Gallagher, former western manager Aetna, attended the meeting.

New President

THOMAS G. McCRACKEN

Thomas G. McCracken, vice-president and manager of the Retail Hardware Mutual Fire of Minneapolis, who was elected president of the Federation of Mutual Fire Insurance Companies, has spent his business career with this company, having been associated with it for 30 years. When Mr. McCracken left high school he went with the Retail Hardware Mutual and did a good deal of the clerical work in its early days. Later he became underwriting manager and then assistant secretary. He was elected secretary on the death of M. S. Mathews in 1919 and two years ago he was elected to his present position. In addition to his position with the Retail Hardware Mutual he is also vice-president and manager of the American Hardware Mutual, which the parent company organized for excess lines and reinsurance some four or five years ago. Mr. McCracken has been prominent all along in the National Association of Mutual Insurance Companies and the Federation of Mutual Fire Insurance Companies. He served on the board of directors of the National association for 12 years and has been on the Federation's board for the last two years.

C. F. Christ's Change

KANSAS CITY, MO., Nov. 4.—Charles F. Christ, Jr., formerly special agent in western Missouri for the Kansas City Fire & Marine, has gone with the Maryland Casualty here in the same capacity. He will cover the same territory. C. F. Christ, Sr., his father, is a local agent at Huntsville, Mo., while his brother, J. W. Christ, is doing field work for the Commercial Union.

Conway Gets Judgeship

Albert Conway, former New York superintendent of insurance, was among the number chosen to New York state supreme court judgeships at the election Tuesday.

Opens Kansas City Office

The Fort Dearborn Insurance Company has opened an office on the tenth floor of the Dierks building, Kansas City, Mo., with J. R. Walker as manager.

Estimates 600,000 Autos Used by Stock Fire Men

One of the leaders in the so-called reciprocity campaign has been busy estimating just how many automobiles stock company agents, bureau and company men use. He arrives at the figure of 600,000 cars. The number of agents in the country is taken at 200,000 and an average of two cars per agency is assumed. Then a car for each of the 65,000 brokers is projected and the remaining 135,000 are assumed to be in the use of company and bureau men.

This advocate of reciprocity estimates that 42 percent of the cars are in the medium and higher price range and 58 percent in the lower price. An average price of $1,000 per car is assumed, which he points out would represent an investment of $600,000,000. Estimating the average profit to the manufacturer per car to be $100 and the average commission to the selling agency to be $100, this, he calculates, would mean an aggregate profit in selling commissions of $120,000,000. If one-third of the aggregate is replaced each year, it would mean $200,000,000 worth of cars each year, with selling commissions of $40,000,000.

"It is my belief that in the potential market for automobiles, no one industry or vocation can measure up to the extent of the stock insurance interest," the reciprocity leader believes. "If this can be brought forcefully to the attention of manufacturers of automobiles," he said, "I have no doubt that it will receive their careful consideration in an analysis of the possibilities of their sales campaign."

INSURANCE STOCK QUOTATIONS

By H. W. Cornelius of Morrison & Townsend, 208 South La Salle St., Chicago as of Nov. 2

Stock	Par	Div. per Share	Bid	Asked
Aetna Cas.....	10	1.60	45	50
Aetna Fire.....	10	2.00	33	35
Aetna Life.....	10	1.20	29	31
Amer. Alliance..	10	1.60	14	16
Amer. Equitable.	5	1.20	6½	7½
American, N. J..	5	1.00	13½	15
Amer. Surety....	25	4.00	35	37
Automobile	10	1.00	20	22
Baltimore Amer.	5	.80	7¾	8¾
Boston	100	16.00	350	375
Carolina	10	1.50	16	18
City of N. Y....	100	16.00	170	190
Continental Cas.	10	*1.60	18	20
Continental	10	2.40	27	29
Fid.-Phenix	10	2.60	29	31
Fire Assn.	10	1.60	10	12
Fireman's Fund.	25	5.00	56	59
Fireman's F. Ind.	..	...	18	22
Firemen's	10	2.80	14	16
Franklin	5	1.60	16	18
Glens Falls	10	*1.60	39	42
Globe & Rutgers.	100	24.00	300	325
Great Am. Fire..	10	1.60	19	21
Great Am. Ind..	10	...	10	15
Halifax Fire ...	10	1.20	12	14
Hanover	10	1.60	20	22
Harmonia	10	1.80	17	19
Hartford Fire...	10	2.00	45	47
Home F. & M...	10	2.00	20⅞	26½
Home, N. Y.....	10	2.00	22	24
Homestead	10	1.30	11	13
Ins. Co. of N. A.	10	*2.50	40	42
National Cas. ...	10	1.20	11	13
National Fire...	10	2.00	37	39
National Liberty	5	.50	5¼	6¼
National Surety.	10	2.00	..	..
National Union..	100	...	45	50
New Brunswick.	10	1.80	17	19
New Hampshire.	10	2.00	38	42
North River	10	2.00	22	24
N. W. National..	25	5.00	90	95
Occidental	10	...	13	14½
Peoples National.	5	.50	5	6
Phoenix, Conn...	10	2.00	55	57
Prov. Wash.	10	2.20	35	37
Rossia	10	2.20	11	13
Springfield	25	4.50	68	74
St. Paul F. & M.	25	6.00	124	128
Sun Life	100	25.00	550	600
Travelers	100	*22.00	560	580
U. S. Fire.....	10	2.40	30	34
U. S. Mer. & Sh.	100	16.00	180	210
Westchester	10	*2.50	27	30

*Extra dividend paid.

Mortgagee's Rights Assignable

The rights of a mortgagee under a standard fire policy containing a New York standard mortgage clause are assignable without the consent of the company, the United States circuit court of appeals for the fourth circuit held at Richmond, Va., in the case of Central Union Bank of South Carolina vs. New York Underwriters.

The policy had become void as to the mortgagor and before loss the policy was assigned to the plaintiff's predecessor, the court stated. The lower court had held for the company on the ground that the mortgagee's interest could not be assigned without the consent of the company.

In reversing the judgment the circuit court pointed out that the transfer of the rights of the mortgagee does not increase the hazard or substitute a different risk and is valid in the absence of an express provision in the policy to the contrary.

Fear Audit Responsibility as Reporting Form Grows

As the reporting form plan gains in popularity with agents and assureds, and as it is being extended to cover merchandising risks, some executives are beginning to perceive dangers in the system. There is a fear that growth of the reporting form will necessitate the companies embarking on a tremendous auditing enterprise.

Because there is no penalty on the assured for failing to submit the monthly report of values, it is often difficult to calculate the true premiums. The burden of auditing is distinctly upon the companies, which many executives feel will be a tremendous responsibility when the reporting form is more generally written to cover merchandising risks.

Those suggesting correctives feel that some method must be devised which will transfer the burden of auditing to the assured. One suggestion has been that insurance to 100 percent of value be enforced by having the policy endorsed each month for the values at that time. If the values are greater, then the proposal is that the policy be endorsed to cover the added risk and that the additional premium be collected at that time. If the values are less, then the policy should be properly endorsed, according to the proposal, at that time, and a return premium made.

Shirley B. Lawrence, manager of the insurance department of the Lincoln Bank & Trust Co., Louisville, and Miss Katherine L. Houck of Louisville were married there. Mr. Lawrence is a son of E. T. Lawrence, state agent in Kentucky and Tennessee for the Camden Fire.

Sioux City Agents Use an Airplane

Hassenger Bros. of Sioux City, well known local agents, are attracting much attention over their airship that they have purchased. One of the Hassenger brothers was an aviator in the army and both are airplane fans. Their airplane is used for advertising purposes, it having the name of the firm, location and also "loans, finance, insurance" painted on it. They do considerable loaning money and fly to Omaha, Des Moines and other points in this connection. They have had it for about six months and frequently take their customers up in the air. Undoubtedly the airplane can be used in collecting where a delinquent premium payer can be gotten far up in the clouds and plans be made then for him to pay his account or suffer the consequences.

INCORPORATED 1799

PROVIDENCE WASHINGTON INSURANCE COMPANY

of Providence, R. I.

Capital $3,000,000 *Surplus to Policyholders,* $11,159,491

INCORPORATED 1928

ANCHOR INSURANCE COMPANY

Providence, R. I.

Organized and Owned by the Providence Washington Insurance Co.

Capital $1,000,000 *Surplus to Policyholders* $1,563,657

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FIRE TORNADO AUTOMOBILE

OCEAN AND INLAND MARINE

and their allied lines

FULL COVERAGE AUTOMOBILE INSURANCE

under Combined Policies with

MARYLAND CASUALTY COMPANY

INCORPORATED 1832

VIRGINIA FIRE AND MARINE INSURANCE COMPANY

Richmond, Va.

Capital $500,000 *Surplus to Policyholders* $1,671,770

FIRE TORNADO

SPRINKLER LEAKAGE AUTOMOBILE INSURANCE

WESTERN DEPARTMENT: 175 W. Jackson Blvd., CHICAGO, J. R. Cashel, Manager

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Published every Thursday by THE NATIONAL UNDERWRITER COMPANY, Chicago, Cincinnati, and New York. EDWARD J. WOHLGEMUTH, President; JOHN F. WOHLGEMUTH, Secretary; HOWARD J. BURRIDGE, Vice President and General Manager;

NORA VINCENT PAUL, Vice-President; WILLIAM A. SCANLON, GEORGE C. ROEDING and O. E. SCHWARTZ, Associate Managers

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PUBLICATION OFFICE, A1946 Insurance Exchange, CHICAGO. Telephone Wabash 2704
CINCINNATI OFFICE, 420 E. Fourth St., Telephone Main 5781, RALPH E. RICHMAN, Manager
ABNER THORP, JR., Director Life Insurance Service Dept.

NEW YORK OFFICE
803-123 William St., Tel. Beekman 3-3958
GEORGE A. WATSON, Associate Editor

SAN FRANCISCO OFFICE
105 Montgomery Street, Tel. Kearney 3054
FRANK W. BLAND, Resident Manager
CYRUS K. DREW, Pacific Coast Editor

DETROIT OFFICE
1015 Transportation Bldg., Tel. Randolph 3954
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834 N. Marsalis Ave., Tel. 6-5680
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Entered as Second-class Matter April 28, 1928, at Post Office at Chicago, Ill., Under Act, March 3, 1879

Subscription Price $4.00 a year; in Canada, $6.50 a year. Single Copies 20 cents.
In Combination with Life Insurance Edition, $5.50 a year; Canada $10.50

Associated Business Papers

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National Publishers Association

Times That Try Men's Souls

THESE are trying days. Every soul is being tested. There are very few people that are escaping the effects of the economic hurricane. Take the surety people, for example. They have some very serious problems especially in regard to their guarantees of real estate bonds and even more concerning depository bonds. Banks have failed right and left where deposits were guaranteed. The TOWNER RATING BUREAU calls attention to the fact that more banks have failed during the first nine months of the year than all last year. According to the surety survey the situation shows no sign of improvement.

Under normal conditions surety companies collect salvages in substantial amounts and within a reasonable period. Owing to the present depression in the financial market, receivers of closed banks hesitate to sell securities appreciating that they would not realize more than 50 percent of their real value. Hence they are holding them back for a more propitious market.

It can be truthfully said that executives and underwriters having charge of depository bonds are almost nervous wrecks through their anxiety over conditions that have confronted them during the last two years. An added burden is the large number of forgery claims being reported, the most recent being the discovery of forgeries totaling over $500,000 in the affairs of the GIRARD AVENUE TITLE & TRUST CO. of Philadelphia.

Suggestion for Program Makers

ALL OF those who have anything to do with preparing the programs for annual conventions of state associations of local agents should take a tip from what happened at the annual convention of the NEW YORK ASSOCIATION OF LOCAL AGENTS. For the first time in its history an entire afternoon was devoted to group meetings on casualty, inland marine and farm business. All were well attended.

The next day someone proposed that there be no group sessions next year, arguing that many were interested in more than one of the group sessions, some in all of them, and yet were able to attend only one. It was contended that this splitting up of the convention was unsatisfactory and an experiment that should not be repeated.

There was an immediate roar of protest from every side. Nearly all who spoke were in favor of the group sessions, and their reasons were: (1) Their easy and informal character; (2) the getting away from long-winded addresses and papers; (3) the opportunity for general discussion, and (4) the fact that nearly every one in the room participates in some way in a group meeting.

Agents are evidently tired of the stereotyped meeting. They want to actively participate, to talk if and when they wish to. They want many others to do the same thing. They do not want their meetings to be stiff and formal, and the talks confined to a limited few listed on the program and with no time for free and easy exchange of ideas and experiences. Their wishes should be heeded by the program makers.

YOU'VE got to do your work yourself. The amount of work you do—the quality of work you do—will determine the amount and quality of your reward.

NOWHERE is the goal of him who follows the route of Anywhere; the man who aims at nothing usually hits his mark.

PERSONAL SIDE OF BUSINESS

Frank H. Howes, member of Rogers & Howes of Boston for many years, died at his home at the age of 79, following several years illness. His insurance experience began with the German Alliance, of which he was Boston agent. The firm of Rogers & Howes was formed and became managers of the Boston department of the Great American, which relation continued until a few years ago, when the local representation was changed.

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Edwin Sever of Rocky Ford, Colo., special agent for the farm department of the Home of New York, was killed in an automobile accident last Thursday.

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Frank G. Snyder, head of the Snyder Brothers General Agency, Louisville, returned to his office Oct. 30 for the first time following operation in mid-October for removal of cataracts from his eyes. Mr. Snyder says his eyes are much better. Naturally they will never be as good as they once were, but at any rate he can tell the difference as between a jack and a queen.

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E. S. Inglis, vice-president of the Corroon & Reynolds companies in charge of their agency operations, left New York on an extended field trip Nov. 2. He planned to be away for a month or more, visiting en route to the Pacific Coast, Indianapolis, St. Louis, Chicago and perhaps other important centers.

—

Sherman Upham, 58, founder and president of the Upham Brothers Company agency of Des Moines, died Thursday. He had been a resident of Des Moines since 1889. He was one of the founders of the Bankers Accident. In 1902, in company with his brother, Lynne U. Upham, now of Omaha, the present Upham agency was organized. Another brother is E. Ross Upham of Des Moines.

—

James S. Kemper, president Lumbermen's Mutual Casualty, American Motorists and the National Retailers Mutual Fire, who underwent a major operation at Presbyterian hospital in Chicago, is now on the mend. He will be taken to his home in Winnetka, Ill., in a week's time or so and there will spend a number of weeks in recuperating. Mr. Kemper is president of the National Association of Mutual Insurance Companies.

—

Roy G. Staples, for several years active in the affairs of the Minnesota Association of Insurance Agents, died suddenly at his home in Stillwater Oct. 30. He was 58 years old. Mr. Staples had been in the insurance business there for several years, being head of the Stillwater Insurance Agency. He was a member of the finance committee of the state association and had also served on the executive committee.

—

R. E. Vernor of Chicago, manager fire prevention department, Western Actuarial Bureau—"Dick" to his fellow Rotarians—harked back to the early days of the movies at the regular weekly luncheon meeting of the Rotary Club of Chicago, last week, when he presented "The Great Train Robbery," a thriller of "away back when." In addition, there were a number of movie hits of other days presented by Mr. Vernor, all serving not only to interest and entertain the large number of Rotarians and guests, but also to emphasize the vast improvements that have been made during the past three decades in the silver screen form of entertainment, as well as demonstrate "Dick's" versatility.

—

The Wisconsin Blue Goose will give a dinner-dance in Milwaukee Nov. 21 in honor of the 25th anniversary of **Walter E. Atwater,** the first most loyal grand gander of the order, who assumed the duties of that position in November, 1906. Mr. Atwater's untiring efforts contributed largely to the success of the organization. C. P. Helliwell, grand wielder, 238 West Wisconsin avenue, Milwaukee, has charge of reservations. A large delegation from Chicago is expected to attend.

—

John F. Dunphy, 45, founder of the Dunphy Agency of Milwaukee died there Saturday after a week's illness. He founded his agency in 1911 and five years later was joined in the business by his brother, Raymond.

—

Edwin C. Brush died at his home in Brookline, Mass., last week at the age of 86. Until his retirement in 1917 he was manager of the Pennsylvania Fire's New England department for many years and for two years a president of the Boston Board of Fire Underwriters.

Mr. Brush was a native of Florida and his first insurance connection was as special agent in southern states for the Girard Fire and the Fire Insurance Association of London, about 1881. He then became supervising special agent for the Commercial Union for southern territory with headquarters at Richmond, Va. In 1889 he was transferred by the Commercial Union to New England and continued with that company until 1896 when he became manager of the fire branch of the Boston. In July, 1902, he was appointed manager of the New England department of the Pennsylvania fire. Mr. Brush was president of the Boston Board in 1907 and served on many important committees of the New England Insurance Exchange and was for 37 years a trustee of the Insurance Library of Boston, being clerk-treasurer for 17 years. He served through the Civil War in Gen. Joe Wheeler's cavalry brigade.

—

Francis D. Bennett, special agent of the Queen's automobile department in New England, and recognized as an outstanding adjuster of automobile fire and theft losses, died last week in Boston. He was 55 years old. He had been with the Queen for 17 years. He is survived by three sons, Edwin C. of William A. Hamilton Company Boston agency; David, a special agent of the Providence Washington in New England, and William of New Jersey.

—

B. K. Olinger of Milwaukee, Wisconsin state agent for the Connecticut Fire, is still at the hospital in Rochester, Minn. Mr. Olinger's condition varies from day to day, but the last word received showed him making an improvement. Recently he underwent some blood transfusions. His friends among the Blue Goose members have been asked to write letters of encouragement to him.

—

G. A. Deitch, one of the founders of the Reserve Loan Life of Indianapolis and general counsel and agency director, died last week. He was compiler of the "Insurance Digest" published by the Rough Notes Company and author of a number of insurance law books, one of which was the first edition of "The Standard Fire Policy." He was the legal editor of "Rough Notes."

—

F. H. Smith, commissioner of banking and insurance of New Jersey, may be a candidate for the Republican nomination for Congress in the Fifth New Jersey district. A special election will be held Dec. 1 in the state to elect a successor to the late Ernest R. Ackerman of Plainfield, which is the home town of the commissioner.

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FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

Work Out a Bank Program

Cleveland Insurance Board Pleased With Statement of E. S. Steeb of Cleveland Trust Co.

CLEVELAND, Nov. 4.—The Cleveland Insurance Board, having worked out very satisfactory arrangements with the financial institutions so that matters of mutual interest can be adjusted harmoniously, is very much elated over the progress that has been made. There is a joint committee of the banks and the Cleveland Insurance Board to take up matters of mutual concern. One of the members of the bankers' committee is E. S. Steeb of the Cleveland Trust Company, one of the largest financial institutions in northern Ohio. Recently he wrote a story for the house organ of his institution under the heading, "Your Insurance Representative." Mr. Steeb said:

Policyholders Without Knowledge

"Anyone associated or connected in any way with the field of insurance is often forcibly impressed by this fact: the average individual purchases or holds insurance without any real assurance that the contract really furnishes the protection needed, and in some cases without any idea of the indemnity that has been secured. Indemnity against losses of all kinds is so essential to the economic welfare of everyone that this ignorance might well be of concern to all seeking insurance protection. It suggests the consideration of a most vital side of insurance underwriting—that represented by the insurance agent or counselor.

Loss Affects Whole Community

"Insurance as it relates to the purchaser and the community is a means of distributing losses sustained by a few, among a group. It should be borne in mind that losses of any kind not compensated for affect the community as well as the individual sustaining the loss. To illustrate: if a manufacturing concern supplying the public with a popular commodity and hiring a number of people sustains a large loss not indemnified by insurance, the business may fail. The withdrawal of the product from the market and the lessening of the buying power of the employes affected would be a community loss. An individual might sustain a large loss by fire and not be indemnified by insurance. If such loss represented a considerable portion of his savings, would not the community in which he resides have to contribute in some way toward the replacement of this loss? The tornado that swept through Ohio a few years ago caused damage that in many cases was not taken care of by insurance, and the nation, through the agency of the Red Cross, was called upon to assist those most unfortunate.

Function of Insurance Companies

"The losses to society resulting from personal injuries growing out of employment were becoming so serious that most state legislatures have passed laws making mandatory the carrying of insurance by employers, indemnifying disabled employes and their dependents. The present-day insurance companies are a result of the demand for an organization to provide means of protection against the uncertainty of losses and replacements and to provide systematic control of elements of insurance underwriting, such as classification of risks, collection of proper premium and adjustment of losses. The circumstances which brought insurance companies into existence clearly point to the fact that they are not, as is generally the view, distinct and separate from those they insure, but are in reality only formal organizations through which those desiring protection insure one another.

Classification of Risks

"As our economic structure developed, risks became more diversified, thereby imposing upon the insurance companies the responsibility of properly separating and classifying the various hazards and developing the properly worded insurance contracts that would clearly define each particular risk covered. The importance of proper division of risks becomes more apparent when it is realized that the only source that the insurance companies have for obtaining funds with which to pay losses is from the individuals contributing through the medium of premiums. Should losses be paid on risks more hazardous, or in a different classification than those intended to be covered, the insurance company would be jeopardizing the interests of other policyholders in assuming an obligation for which insufficient compensation had been received.

Agents Are Insurance Counsellors

"Insurance policies from necessity have become technical. Changes in coverage of various risks are constantly being made and the protection of new risks is being undertaken. The layman or purchaser of insurance cannot possibly acquaint himself with them all. The insurance representative, however, should be fully acquainted with all changes or should be affiliated with an agency organization where there are specialists in each form of coverage qualified to pass upon problems of correct protection. The insurance representative has now become an insurance counselor.

Should Deal With Competent Agents

"Much dissatisfaction would be avoided, and the desired protection obtained, if the individual wishing to purchase protection would outline in detail the indemnity desired to an experienced insurance counselor, obtaining from him the different modifications of coverage which are available. The buyer can then select the one which most nearly furnishes the protection needed. The possession of an insurance contract is no guarantee of absolute protection unless it contains the proper coverage. It is too late after a loss has been sustained to attempt to remedy the form of the insurance contract. Most any other commodity which an individual purchases can be tested with use, and if not satisfactory may undoubtedly be altered to suit the owner, but the insurance contract must be right when a loss occurs if full indemnity is expected. The reliable insurance counselor not only furnishes advice on the proper underwriting of the individual risks, but is many times of great assistance in effecting proper settlement of losses."

West Virginia Offices Hit

State Companies Aroused as to the Decision Over Tax on Unearned Premium Reserve

WHEELING, W. VA., Oct. 4.—The local companies in Wheeling are very much aroused over the decision in the court upholding the tax commission that unearned premiums are taxable. That will place a burden on the companies which they do not care to assume. There seems to be a strong feeling on part of West Virginia companies that unless some relief can be secured by legislation at the next general assembly the state will likely lose its home companies, as they may take out charters under other state laws.

Bank Suspensions Are Many

Ohio Agents Are Hard Hit in Collections Because of Funds Being Tied Up

Ohio has been hit pretty hard in some of its best cities on account of bank suspensions. Dayton comes in now with the closing of the Union Trust Company, one of the largest banks in its section. Some of the local agents had their accounts in this bank and naturally the collection situation will be greatly complicated because of funds being tied up. Youngstown local agents have had a lot of trouble since banks in that city closed. Toledo was hit hard and other cities have been going through the throes of bank troubles. Altogether Ohio has been pretty badly hurt because of its bank situation.

Executive Committee Meets

COLUMBUS, O., Nov. 4.—The executive committee of the Ohio Association of Insurance Agents is holding a meeting here today. C. O. Ransom, national councilor, and the association officers are in attendance, in addition to the committee members.

Insurance Men at C. of C.

Clayton G. Hale has been named by the Insurance Board of Cleveland as delegate to the Ohio Chamber of Commerce, which holds its annual meeting at Columbus Nov. 6-7. W. G. Wilson of the Aetna Life, Cleveland, has been renominated for a two-year term as director of the chamber representing insurance interests.

Governor George White will give the address of welcome. Principal speakers will include Robert A. Taft, chairman of the special joint legislative committee on taxation, who will speak on tax development in Ohio, and United States Senator Fess, who will describe the "Problems Before Us."

Dickson Blue Goose Speaker

COLUMBUS, O., Nov. 4.—Stock fire companies lost last year through decreases in premiums and increases in fire losses $30,000,000 more than the total loss in the San Francisco fire of 1906, Gen. F. S. Dickson of the legal department of the National Board, Chicago, told the Ohio Blue Goose at its luncheon Monday. He explained the work of the National Board along the lines of fire protection and fire prevention to lessen the loss ratio and lower fire insurance costs.

R. E. Vernor of the Western Actuarial Bureau, Chicago, will address the Blue Goose Nov. 16 on "Activities of the Fire Waste Council."

Discuss Public Property Plans

CLEVELAND, Nov. 4.—The next monthly meeting of the Insurance Board of Cleveland will be held Nov. 18. This will be strictly a business session. Two amendments to the by-laws will be placed before members for their approval.

Local board placement of insurance on public property will be one of the important topics discussed. Cleveland public property insurance has been fairly taken care of in recent years, with the business divided among about 20 local agencies. Extension of the plan to large privately-owned property will be considered at the meeting as a means of regaining some business which has been placed out of the city.

Further developments of the reciprocity plan will be discussed at some length. The program committee sent out questionnaires two weeks ago to all members soliciting suggestions for future meetings. Many constructive proposals have been received and the results of the questionnaire will be given out at this meeting.

Meetings of Ohio Farmers Men

Ohio agents of the Ohio Farmers are holding their annual fall district meetings with officers and department managers from the home office. These meetings provide added opportunities for maintaining the close contact which has always been characteristic of the Ohio Farmers organization. A schedule of the meetings follows: Nov. 4, Hotel Cleveland, Cleveland; Nov. 5, Commerce Club, Toledo; Nov. 6, Deshler Hotel, Columbus.

Sandusky Inspection Results

In the recent inspection at Sandusky, which was declared to have been one of the best ever held under the auspices of the Ohio Fire Prevention Association, 315 risks were inspected, 232 defects found and 870 recommendations made. Forty-one Boy Scouts and 11 firemen took part and 230 persons attended the luncheon. Harry K. Rogers spoke at the luncheon and also put on his clown demonstration. H. R. Underwood and J. W. DeCessna addressed the school children. Westerville will be inspected Nov. 9 and Fremont Nov. 12.

West Virginia Fire Loss

Fire Marshal Stahlman of West Virginia reports the fire loss for the first nine months at $4,101,900, an increase of $33,590, or 6 percent, above the same period last year. Of the 1,134 fires reported, 607 were total. There was a decrease of 63, or 5 percent, in the number of fires as compared with the corresponding period of 1930.

Ohio Agencies Incorporate

Several Ohio agencies have been incorporated, including the General Mutual Agency, Van Wert; Le Fevre Insurance, Sebring; Otis P. Holt, Inc., Youngstown; Protect-U-Corporation, Cincinnati, by R. H. Hicks and J. W. Bayne; King Realty & Insurance Agency, Steubenville, by F. S. King, Madge Croner and Rachel C. Porter.

Executive Committee to Meet

The executive committee of the Ohio Fire Prevention Association will meet in Columbus Nov. 16. R. E. Vernor, Western Actuarial Bureau, Chicago, who will address the Blue Goose at its luncheon that day, will be in attendance.

Ohio Notes

John R. Cashel, western manager of the Providence Washington, is visiting some of the Ohio agencies.

Election of officers of the **Albert W. Shell & Co.** in Cincinnati, following the death of Mr. Shell, has resulted in the election of West Shell, president; Mrs. A. W. Shell, vice-president, and the re-election of Theodore Safford as secretary and John F. Ankenbauer as treasurer.

The insurance loss on the fire which damaged the five-story building of the **J. M. McCullough Sons Company** seed store on Walnut street in Cincinnati last Friday will reach about $175,000. The building was almost destroyed as well as the stock. Some water damage occurred in the First National Bank building due to the bursting of a standpipe.

LOYALTY GROUP

TRUE OPTIMISM

True Optimism is Faith; Faith in Humanity; Faith in the Nation; Faith in its Institutions; Faith in Yourself; Faith in the Present; and Faith in the Future.

False Optimism is Hope based on Desire.

Pessimism is compounded of lack of Faith in all that True Optimism is founded upon, and is acknowledgment of unbelief in self, too often coupled with the wish to profit through the misfortunes of others.

History, that Just Judge of Humanity, reads the record and inexorably records the verdict.

The Verdict is, always has been, and always will be that True Optimism is justified and its results proven; that False Optimism cannot last because of its unsound foundation; and that Pessimism cannot prevail, but must ever fail because of its inherent untruth and viciousness.

History records that the world progressed, and was in every way better and more prosperous in the year 100 than in the year 1 A. D. History records that the world progressed, and was in every way better and more prosperous in the year 1000 than in the year 100 A. D.; History records that the world progressed, and was in every way better and more prosperous in the year 1900 than in the year 1000 A. D., and History will continue to record the progress of the world, and this record will show the year 2000 in every way better and more prosperous than the year 1900 A. D. **It is reasonable to believe, and it is wise to believe, and most people do believe that the year 1931 will be in every way better and more prosperous than the year 1930. Voice, therefore, your belief by word and act and aid it to come true in fullest measure.**

Almost two thousand years ago a wise teacher and leader of men said:

"Now Faith is the substance of things hoped for, the evidence of things not seen".

Today Faith is as then. Today, as then, True Optimism is Faith. Thinking men must be and are True Optimists. That individuals have suffered misfortunes in the past and many have succumbed, and that individuals will suffer misfortunes in the future and more will succumb, cannot be denied, but such misfortunes, however hard for the individuals, are after all individual misfortunes and will not, in fact cannot stay the world march of progress and prosperity.

Do not be ashamed of your True Optimism, and do not be afraid to express it because you fear some pessimist may ridicule it and tell you that some day he will say "I told you so". Have courage and make known your True Optimism by voice and deed; make known your Faith in Humanity; make known your Faith in your Nation; make known your Faith in the Future; make known your Faith in Yourself; and make known your Faith that the tide has turned and that Prosperity has its hand stretched to knock at the door, and will surely enter if we but heed it, instead of harkening to cowardly fear.

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LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

CENTRAL WESTERN STATES

New York Fire in Illinois

Funkhouser-Smith General Agency at Springfield Secures Company Outside of Cook County

NEW YORK, Nov. 4.—Funkhouser-Smith, Inc., of Springfield has been appointed general agent of the New York Fire for Illinois outside of Cook county, thereby increasing to four the number of companies of the Corroon & Reynolds group this office represents, the others being the American Equitable, Merchants & Manufacturers and the Bronx Fire. Though comparatively young in the general agency field, the Funkhouser-Smith office is a highly progressive one and has been successful in securing local representatives for its companies. The accession of the New York Fire will increase its carrying capacity. Both Mr. Funkhouser and Mr. Smith are experienced field men, having traveled Illinois for some time, and each has a hold upon local agents throughout the state.

Big Cut in School Coverage

"Model" Program in Indianapolis Disrupted by Budget Slash—$3,000,000 Reduction Necessary

INDIANAPOLIS, Nov. 4.—Fire insurance protection on elementary school buildings will be cut approximately $3,000,000 because of the reduction by the state tax commission of $3,400 in the city school budget for this item. "The reduction in insurance premiums ordered by the state tax board has completely nullified and upset a model insurance program inaugurated by the present school board," A. B. Good, business director of the Indianapolis public schools, is reported as saying. "The insurance setup was so outstanding that it had attracted favorable attention on the part of underwriters and educational experts all over the country."

The insurance schedule was so evenly balanced, Mr. Good explains, that a reduction of 22 percent in cost will reduce the insurance 40 percent in volume, through the working of the coinsurance clause. As an example, the manual training high school is insured against fire at only about 35 percent of its insurable value and the school board loses $277,000 in insurance on the school, a loss of 40 percent of the amount for which it was formerly insured, because of a reduction of 11 percent, or $175, made in funds by the tax commissioners.

"With the bonding power of the schools practically exhausted and our credit in jeopardy because of the 5-cent cut in the sinking fund levy, a serious loss by fire would quickly use up the small amount of insurance allowed by the state board and would cripple our schools for years to come," Mr. Good declared.

Lansing Association Limits Membership to Stock Men

LANSING, MICH., Nov. 4.—A rule that members shall in the future represent only stock companies was adopted by the Lansing Association of Insurance Agents at a special meeting during the past week. The matter has been under discussion for some time, such a regulation having been advocated some months ago by President W. Everts Rouse, who voiced the opinion that, without a standard of this sort, the local board was becoming a meaningless organization. The new rule will not be retroactive but will apply only to new members or to members deciding to take on other than stock affiliations. There was considerable discussion at the meeting of the serious bond situation affecting deposits of tax moneys and covering of city, village and township treasurers. In the past the board has split the short term bond business during the tax collection season, but it appears that there will be no such business this year unless some solution for the existing situation is devised at conference this week between a committee from the state association and state officials.

Indiana Notes

The **Citizens Bank** of Anderson, Ind., did not open last Saturday. Benjamin Alford is manager of the insurance department.

John A. Scudder, who has been special agent for several years at the Annapolis, Md., branch office of the United States Fidelity & Guaranty, has resigned to become one of the managers of the insurance department of the Old First National Company at Fort Wayne, Ind.

C. A. Roegge, formerly field manager in Indiana, Illinois and Kentucky for the Century Indemnity and recently with the insurance department of the Marion County State Bank in Indianapolis, has become manager of the insurance department of Schloss Brothers Investment Company, Indianapolis.

Michigan Notes

The **Bonninghausen Agency** of Detroit has been incorporated by Louis Bonninghausen, Arthur J. Bonninghausen and Richard I. Bonninghausen, all of Detroit.

Miss Carrie Boldt, formerly with the Bloom-Platts agency at Detroit, has opened her own office at 536 Free Press building in Detroit.

The **Michigan Fire Prevention Association** will inspect Hillsdale Nov. 12. R. E. Vernor, Western Actuarial Bureau, Chicago, will give an address at noon.

Three Detroit agencies have been incorporated: **Tickton Agency,** by D. L. Tickton, S. G. Tickton and M. E. Tickton; the **Sherwood Agency,** by Asa Sherwood, F. E. Sherwood and E. B. Davison, and the **Ramm Underwriters Agency** by M. A. Ramm, H. D. Hemp and Dorothy Barker.

F. N. Gadert, 49, junior member of Reisch & Gadert, Sprinfield, Ill., died Oct. 27 in a hospital there after a long illness.

WHEN THE GOING IS ROUGH

WHEN the going is hard local agents appreciate representing a company like the Kansas City Fire and Marine whose officials have a sympathetic understanding and thorough knowledge of the agent's problems. They know from their own experience as local agents in the well-known and successful R. B. Jones & Sons Agency just what tactics can best be used to combat the "rough going."

The wealth of actual local agency experience of our officials is always at the command of our agents. Agents know we can help them and consequently like to bring their problems to us. Our slogan "a company whose first thought is toward helping its agents" is being tested and found true by more agents every day. If the "going is rough" you will find this Kansas City Company a worthwhile addition to your agency.

Organized and managed by R. B. Jones & Sons, Kansas City, Chicago

Kansas City Fire and Marine
Insurance Company

Chicago, Ill.
Insurance Exchange

Kansas City, Mo.
Federal Reserve Bank Bldg.

STATES OF THE NORTHWEST

South Dakota Agents' Plan

Program for the Annual Meeting That Will Be Held at Aberdeen Tuesday

ABERDEEN, S. D., Nov. 4.—Plans have all been completed for the annual meeting of the Insurors of South Dakota, the local agents' association, to be held here next Tuesday at the Alonzo Ward Hotel. H. F. Wilson of this city is president. J. B. Allen of Sioux Falls is vice-president and J. D. Dux of Sioux Falls is secretary. There will be a talk on rate making by a representative of the General Inspection Company and one on adjustments by a representative of the Western Adjustment. Barrie A. Curran, farm state agent of the America Fore in Iowa, will talk on farm business. E. D. Lawson of Chicago, western marine manager of the Firemen's Fund, will conduct a question box on inland marine lines. President W. B. Calhoun of the National Association of Insurance Agents will speak. In the evening there will be a banquet.

M. B. Ryon, assistant manager of the Minneapolis office of the General Inspection Bureau, will give the talk for that organization, and C. L. Mehagan of the Minneapolis office of the Western Adjustment will give a talk on losses.

Must Conform to Filings

Commissioner Mortensen of Wisconsin Seeks to End Loose Interpretation of Forms

MILWAUKEE, WIS., Nov. 4.—Local agents and field men in Wisconsin have received from the Wisconsin Fire Insurance Rating Bureau reproductions of a communication from Commissioner Mortensen to the effect that the policy forms of bureau members shall conform strictly to filings by the bureau.

Mr. Mortensen was prompted to act, it is understood, because of the activities in Wisconsin of insurance advisers or counselors, at whose suggestion forms have been liberalized, particularly in the direction of certain equipment being insured as a part of the building and at the building rate. These deviations were justified by loose construction of the filings.

"This department," Mr. Mortensen states, "has held that the actuarial bureau of which an insurer is a member, shall interpret its filings as to the intention thereof. However, it is desired to give every insurer, agent, or assured an opportunity to be heard in all matters relating to rates or rules, should he or they desire.

Comply to the Letter

"We shall insist, however, that the writings of every insurer comply to the letter with the filings made by such insurer, or for such insurer by the actuarial bureau of which it is a member or subscriber, unless a deviation has been filed under the provisions of section 203.41.

"Chapter 437 provides that the insurer or agent shall have 30 days in which to make correction and in case correction is not made during that period, the violation shall be reported to the commissioner who is given ten days under the law in which to order correction. No extension of time will be granted. In case of controversy, correction of policies should be made in accordance with the requirements of the actuarial bureau. Thereafter complaint may be made, or if desired the commissioner will instruct a representative to attend confer-

ences between parties at a convenient date and a hearing may thereafter be called by the commissioner.

Further Instructions

"Please instruct your officers and employes to use extreme care in issuing criticism notices against the writing of insurers and be prepared to justify all criticisms made either by the rates or other filings. In case a policy is criticized through error, and you desire to retire the criticism without changing the policy, a copy of the criticism, with a full statement of the facts, must be sent to this department. No criticism is to be retired by any employe of your bureau except upon correction of the policy. When a policy is criticized the matter is entirely out of your hands. The policy must be corrected or you may explain that the criticism was made in error, or the same must be reported to this department as uncorrected by the company and agent.

"It might be well to notify your companies, members and subscribers as well that the open season for ignoring audit office requests is over.

"An agent correcting by cancelling a policy in one company and writing the same coverage in another company, will be considered as endeavoring to violate the intent of this statute.

"Notice of uncorrected writings under the law should be sent to this department commencing Nov. 1, 1931."

Actual Crop Value Governs in Partial Loss by Hail

PIERRE, S. D., Nov. 4.—Not all hail insurance policies are "valued policies" and such a policy must be construed according to its provisions the South Dakota supreme court holds in Hemmer-Miller Development Company vs. Hudson Insurance Co.

The maximum liability under the policy was $14 per acre. When a loss occurred, the Development Company claimed the same percentage of $14 as the percentage of damage shown. But under the policy the liability on a partial loss was limited to a percentage of the value of the crop as it existed and on this provision the supreme court reversed the lower court, which held for the plaintiff, with instructions to find the actual value of the crop as nearly as possible and fix the amount of loss on a percentage of that value, instead of a percentage of the maximum liability.

Practice Is Not Rebating

Attorney-General Sharpe of South Dakota has held that the laws of rebating and twisting are not violated when a building and loan association or its director is appointed an agent of an insurance company and the association requires that all policies taken out to secure loans should be taken through such agency with the agent's commission payable to the association. The opinion was requested by Commissioner Horswell.

P. Q. O. T. G. Dog Feast

The P. Q. O. T. G. (whatever that means), composed of former Minnesota field men, will hold its annual dog feast in St. Paul on Dec. 5. This society has 34 members. Field men eligible to membership must have traveled at least ten years in Minnesota. T. J. Lilly of the America Fore group, the oldest field man in point of continuous service, is sachem.

Dodge County Agents Organize

BEAVER DAM, WIS., Nov. 4.—The Dodge County Insurance Agents Association has been organized by insurance men from Beaver Dam, Horicon, Mayville, Hustisford, Woodland and Waltertown, for the establishment and maintenance of good practices in the conduct of the insurance business, the promotion of fraternity among legitimate agents, and the use of the ethical standards in all relations between agents, companies and the insuring public.

Officers of the new association are: H. A. Bird, Beaver Dam, president; E. H. Neitzel, Horicon, vice-president; F. W. Roll, Hustisford, secretary-treasurer. Directors in addition to the officers are F. P. Schinderle of Mayville and W. C. Krueger of Watertown.

Takes State Post

HERBERT L. MOUNT

Herbert L. Mount of Milwaukee, recently appointed a member of the Wisconsin compensation insurance board, has been actively engaged in the insurance business for the past four years and has been associated with the Elmer H. Kambe Agency and the American Insurance Agency during that period as their counsel. Mr. Mount is well known as an attorney and has been active in Wisconsin politics.

Discuss Building Construction

MILWAUKEE, Nov. 4.—Reducing fire waste through better building construction will be discussed before the second meeting of the Milwaukee fire prevention school Nov. 10. Leon M. Gurda, city building inspector, will preside. A review of actual fire cases will be given by Assistant Fire Chief Hackett, head of the department's fire prevention bureau.

Pfleger Heads Patrol Committee

MILWAUKEE, Nov. 4.—William Pfleger has been appointed chairman of the patrol committee of the Milwaukee Board. Other members of the committee are William B. Calhoun and Benjamin M. Weil.

The Milwaukee Board will hold its first dinner meeting of the 1931-32 season Nov. 11. F. A. Krehla of Krehla & Krehla is chairman of the committee in charge. Commissioner Mortensen has been invited to attend.

Braun Firm Reorganized

Following the death recently of Otto A. Braun of the agency bearing his name in Milwaukee, a new corporation has been formed to take over the business. Mrs. Gertrude Braun, the widow, is president; Herbert Droppers, vice-president, and Mrs. Ada Mattern, secretary. Mr. Braun was one of the veteran agents of Milwaukee. He had represented the Michigan Fire & Marine for more than 30 years.

Wisconsin Notes

Harry P. Favell, local agent at Chippewa Falls, Wis., has been elected treasurer of the Kiwanis Club in that city.

Gustav G. Blatz, president of Blatz, Kasten & Co., has been elected secretary of the Milwaukee municipal auidtorium board.

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DAVENPORT, IOWA

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Great American Insurance Company
New York
Choose Your Company — Choose Your Company
INCORPORATED - 1872
STATEMENT JANUARY 1, 1931
CAPITAL
$16,300,000.00
RESERVE FOR ALL OTHER LIABILITIES
23,250,518.69
NET SURPLUS
16,383,804.96
ASSETS
55,934,323.65
SURPLUS FOR THE PROTECTION OF POLICY HOLDERS
$32,683,804.96
LOSSES PAID POLICY HOLDERS
$222,940,109.32
WESTERN DEPARTMENT
310 South Michigan Avenue, CHICAGO, ILL.
C. R. STREET, Vice-President

FRANK J. BUCHER, President — WM. F. KRAMER, Secretary
Organized 1865
The RELIABLE FIRE INSURANCE COMPANY
DAYTON, OHIO
Surplus to Policyholders $1,069,375
An independent Ohio Company with a record of more than 60 years of honorable dealing with Agents and Assureds

IN THE MISSOURI VALLEY

Case Appeals to Field Men

New Kansas Agents' Head Asks Field Club Meeting at Wichita for Co-operation in Harmony Move

WICHITA, KAN., Nov. 4.—Rosse Case of Marion, newly elected president of the Kansas Association of Insurance Agents, appeared before the Kansas Field Club at Wichita and asked the company representatives to cooperate with the agents' association in establishing harmony between companies and Kansas agents. Mr. Case, who is very well liked by the field men and companies, stated that his main objective as president this year is to establish that harmony between companies and agents which was disturbed considerably as a result of the question regarding commissions on impounded premiums resulting in the settlement of the Kansas rate case.

The field men voted to support Rosse Case in his administration. Mr. Case's idea is to call about 12 regional meetings of local agents over the state this coming year and have as a speaker at each meeting at least one company manager who will talk to the agents along the lines of friendship and cooperation.

Duane Stover of Wichita, general chairman of the membership committee, also talked to the field club and asked that the field men cooperate with his committee in regard to increasing their membership this year.

Honor Departing Field Men

DES MOINES, Nov. 4.—At the farewell dinner Friday night in honor of Sim E. Wherry and W. W. Waddell, given by Iowa field men, 105 were present and the occasion was memorable in good cheer and cordial greetings. S. M. Buck, western manager of the Fireman's Fund, Chicago, was the only manager present. Mr. Wherry was presented with a shotgun and Mr. Waddell with a gold watch. The Blue Goose presented each with a fitting remembrance, as it did also James McHugh, a former member, who had come from Chicago especially for this affair. Mr. Wherry goes to Minneapolis as special agent for the Home of New York, and Mr. Waddell, for several years manager of the Hawkeye-Des Moines Department of the Fireman's Fund, goes to Chicago as agency superintendent.

T. T. North's Davenport Office

The Davenport, Ia., office of the Thomas T. North Adjustment Company of Chicago has moved into new quarters, 806 American Bank building in order to get larger space. This branch was opened in September, 1930, with Howard E. Kopf as manager and has had a steady growth since it was established. The North Adjustment Company has branches also in Indianapolis and Milwaukee.

Field Men Forcing Collections

KANSAS CITY, MO., Nov. 4.—Field men covering Kansas and Missouri report especially activity on delinquent balances. Many of them are adopting stringent methods in getting balances collected. Investigations by field men show many agencies actually insolvent, and in such cases they are forcing agents to sell. One field man reported four such cases in the past two weeks.

Martin Heads Farm Committee

Ralph A. Martin, special agent of the Hawkeye & Des Moines Department of the Fireman's Fund in Iowa, has been elected chairman of the farm committee of the Iowa Fire Prevention Association.

Nebraska Blue Goose Luncheons

The Nebraska Blue Goose is now holding luncheons every Monday at the Hotel Conant in Omaha, and extends an invitation to all visiting members to attend the luncheons. L. C. Thoelecke is most loyal gander and L. H. Bridges, wielder.

Blue Goose at Wichita

WICHITA, KAN., Nov. 4.—Clarence E. Bleckley, most loyal gander, presided at a dinner and initiation of the Kansas Blue Goose at Wichita this evening. Twelve candidates were initiated. The Blue Goose meeting followed an all-day session of the field club. Arrangements for the dinner and entertainment were in charge of R. M. Covington and E. B. Fergus.

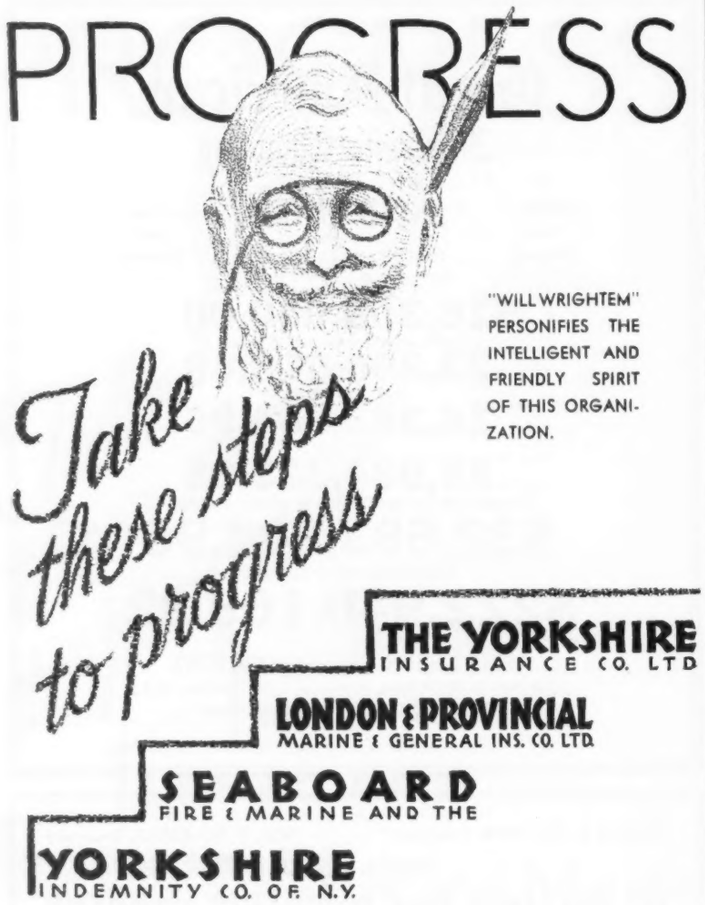
Missouri Valley Notes

Van B. Hayden, Keokuk, Ia., has purchased the Heaslip-Wylie agency there.

The **Luther Agency** and the **J. W. Henderson** agency, Jefferson, Ia., have consolidated.

Alfred E. Bolt, office manager and assistant secretary-treasurer of R. B. Jones & Sons, Kansas City, has resigned to enter the Continental Illinois Bank & Trust Company, Chicago. He was tendered a banquet by the agency.

Elliott Whitbread, a solicitor for the Lawton-Byrne-Bruner Agency, St. Louis, and Miss Helen Reed were married at Jefferson City, Mo. Mr. Whitbread was the Missouri state golf champion in 1929 and 1930 and St. Louis district champion in 1930.



STATES OF THE SOUTHWEST

To Confer with State Board

Oklahoma City Agents Would Classify Procedure in Eliminating Undesirable Applicants for License

OKLAHOMA CITY, Nov. 4.—The Associated Fire & Casualty Underwriters of Oklahoma City will appoint a committee to confer with the secretary of the Oklahoma insurance board and obtain a definition of a legitimate agent in Oklahoma, with a definite understanding just where the line shall be drawn. The committee will recommend certain rules sanctioned by the organization, and get a line on the board's detailed procedure in the elimination of those who fall within the category of illegitimate agents. A delegation from the Tulsa local board will be asked to attend the conference.

An effort will also be made to clarify just how far the board can go and how far the local and state associations can make rules which the board will recommend.

The committee will also discuss with the real estate board and the building and loan board the matter of misuse of expiration dates on policies placed in their hands as collateral, in the hope that an agreement and better understanding may be reached with these organizations. Members of these associations have been advised by W. M. Murdoch, secretary of the insurance board, that they must have a letter in his hands, assuring the board that they do not coerce loans nor refuse to accept loans on property insured through other agents. It is hoped a code of ethics will be established that will place insurance agents in this state on a better footing.

Water Shortage Feared

OKLAHOMA CITY, Nov. 4.—Serious water shortage may result in Oklahoma City unless rains bring relief before February, according to C. T. Ingalls, manager of the Oklahoma Inspection Bureau.

A 15,000,000,000-gallon permanent water supply for the city must absolutely be available within two years, the city manager estimates. Mr. Ingalls says there is no immediate fire hazard from this condition, but that if rain is not forthcoming water conservation will be necessary.

The present water storage was built in 1915-16, when the city had about 80,000 population. It was rebuilt in 1923 when the city's population was about 110,000. Today the population is 200,000 and in ten years there should be 300,000 people here, it is estimated.

DeWeese Not to Resign

DALLAS, Nov. 4.—Reports in Texas to the effect that Fire Insurance Commissioner J. W. DeWeese is to resign in a few days were spiked by the commissioner, who declared he had not submitted his resignation to the governor and had no intention of doing so. The commissioner's term of office expired last February but Governor Sterling has never made any appointment to the post.

West Agency Transfers

The Floyd West General Agency of Dallas has transferred R. W. Davenport, who has been with the firm for 11 years, to San Antonio as special agent. L. H. Singleton has been sent to the Houston territory in the same capacity.

Ingalls Municipal League Speaker

C. T. Ingalls, manager Oklahoma Inspection Bureau, spoke at a meeting of the Oklahoma Municipal League at McAlester on the process of fire insurance rating and explained the functioning of the bureau.

Murdoch Blue Goose Speaker

William M. Murdoch, secretary of the state insurance board, will address the Oklahoma Blue Goose at the luncheon in Oklahoma City next Monday.

San Antonio Agencies Merge

The Rafalsky & Co. agency, San Antonio, has been consolidated with the Richey & Casey agency. Richard & Casey will now represent the La Salle Fire, Fireman's Fund, Brooklyn Fire, Victory and Public Indemnity.

The Blunt Insurance Agency, San

Antonio, has been merged with the Newton Jackson Company agency. The Bivins Insurance agency has taken over the business of the Roy Insurance agency.

Texas Notes

The **J. W. Carriere Insurance Agency** of San Antonio has been merged with O. Wolf & Co. Mr. Carriere will be associated with the latter agency. The **Roy Woodward** agency has been merged with the W. T. Bivins agency.

W. R. Levy, who was married to Miss Madel Davidson a few weeks ago, is in charge of the Levy & Levy Agency, San Antonio, while his brother, E. M. Levy, who was married the past week to Miss Carolyn Bry, and his bride are honeymooning in Tennessee and points in the central west.

The **Smith & Banks** agency Springdale, Ark., has been sold to E. M. Warner, formerly of Jonesboro.

The **Oklahoma City Insurance Women's Association** gave a Halloween party last week. An interesting program was presented by May Howenstein of Bates Adjustment Company, Amy Butler of the Oklahoma Inspection Bureau and Bess Butler of Workman-Carlin Company.

IN THE SOUTHERN STATES

Urges Greater Precaution

Memphis "Evening Appeal" Comments on the Recent Fire and Points Out Dangers

The Memphis "Evening Appeal" in commenting on the fire which did $200,000 worth of damage in the business section, Oct. 1, declares that that part of the city is fortunate that the fire was confined to the building of origin and did not extend to the entire block. In commenting on the fire the "Evening Appeal," calling attention to damage that was done, a policeman crippled for life, 15 firemen injured, more than 2,000,000 gallons of water used and an entire block exposed to danger says:

"Origin of the fire is undetermined. There should be no fires of undetermined origin. There are no unpreventable fires. Even fires originating through spontaneous combustion are preventable. Elements for combustion should not be permitted in any building. From a standpoint of technical fire engineering last night's fire was one of the worst in a decade. The smoke was impenetrable. It prevented immediate access to the fire's heart. While smoke was holding back firemen, flames were eating their way through floors.

Exhausted Facilities

"Firemen finally made what engineers call a 'good stop,' but it took almost everything Memphis had in way of equipment and men to do it. Thousands of Memphians who saw the Main street blaze saw only the spectacular. We hope a few realized its potentialities. During its progress every engine company in Memphis was in action, either there or at the Mallory avenue fire. There were but two fires, Supposing, then, that two or three others had occurred at the same time in different parts of the city? Today we would be talking about a conflagration. Equipment from other cities would probably be helping us out.

"This is a bad time for fires. Economically they are far more expensive than when business conditions are good. Not very many business houses can withstand severe fires. Many have been forced to reduce insurance coverage. In all fires now, insurance companies are suspicious. The moral is obvious. There cannot be too much precaution against fire. A few more like last night and the fire insurance rate in Memphis will go up. The move has already been threatened."

Koeppen Ashland Manager

LOUISVILLE, Nov. 4.—C. E. Koeppen, from the Louisville office of the Kentucky Actuarial Bureau, has taken charge as branch manager of the office at Ashland, Ky., succeeding George W. Weatherton, who resigned to make another connection. Mr. Koeppen has been with the Louisville office several years. Mr. Weatherton, a Purdue University man, started with the Louisville office, was assistant branch manager at Lexington, Ky., and was in charge at Ashland about four years.

Probing Suspicious Fires

MONTGOMERY, ALA., Nov. 4.—Following the increase of incendiary fires in Alabama the last few months, State Fire Marshal Searcy and his deputies have been busy making numerous investigations of suspicious fires. As a result 11 persons are now under indictment in various counties charged with arson.

A large number of questionable fires have accompanied the depressing financial and commercial conditions prevalent in this section.

Open Huntsville Branch

A sub-office of the Fire Companies Adjustment Bureau, southern adjustment branch, has been opened in the Tennessee Valley Bank building, Huntsville, Ala., in charge of L. A. Baercke and will be under the supervision of the Birmingham office.

Disavows Political Bulletin

Len S. Shaw, Mayfield, Ky., president of the Kentucky Association of Insurance Agents, in a letter to members, denies association responsibility for an article appearing in the "Bulletin Board," its official organ, recommending that agents use their votes and influences for election of J. Dan Talbott, Democratic nominee for state auditor. Mr. Shaw says it was published as the personal opinion of the editor of the "Bulletin Board" and was not authorized by the officers or executive committee of the association. The letter further stated that the association is non-political, as to membership and committee, composed of members of both parties,

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2. Voluntary, or contingent.

Statutory reserves, and the formulas for computing them, are prescribed by law for the purpose of providing a true picture of underwriting results and financial standing.

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Such reserves are set up to cover unforeseen contingencies as catastrophe losses, depreciation of security values, retroactive reductions in rates, adverse legal decisions affecting large numbers of claims, sudden upheavals making existing rates radically inadequate.

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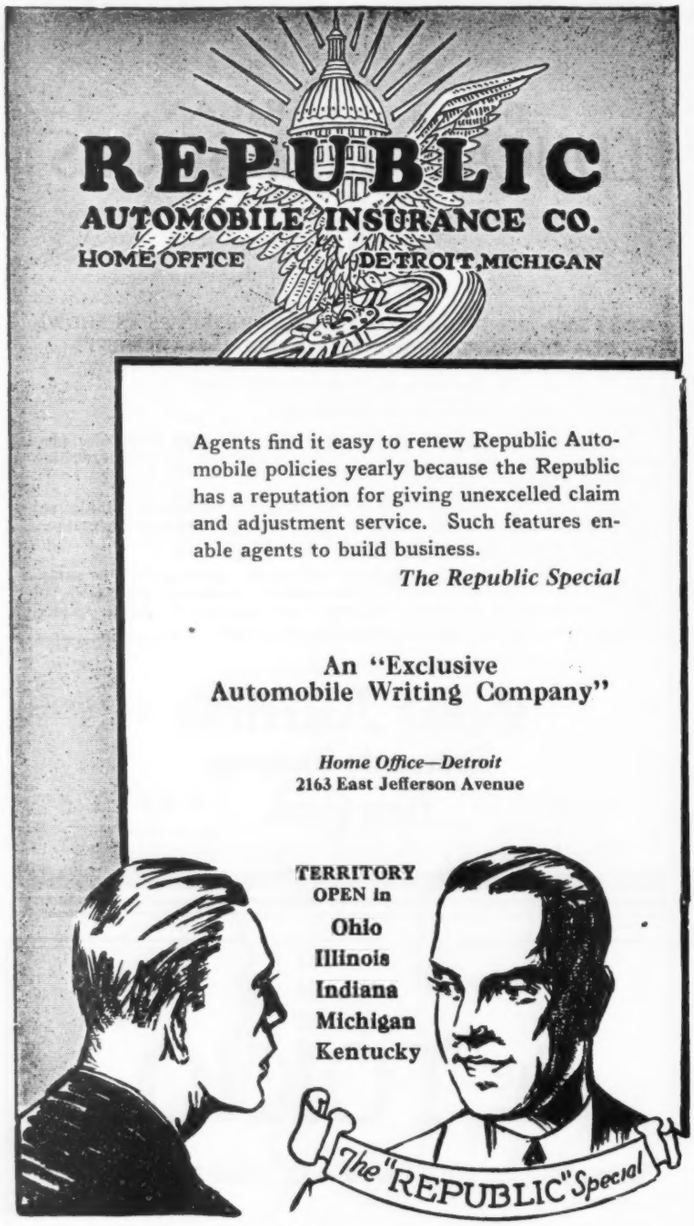
MARINE AND FIRE INSURANCE COMPANY, Limited

United States Fire Branch: 80 John Street, New York
J. A. KELSEY, General Agent GEORGE Z. DAY, Ass't Gen. Agt.

U. S.—Statement December 31, 1930

ASSETS	$13,257,460.31
PREMIUM RESERVE	2,265,563.71
OTHER LIABILITIES	816,124.97
NET SURPLUS	10,175,771.63

Chicago Branch: 175 West Jackson Blvd.
Alfred J. Couch
Manager Brokerage and Cook County Depts.



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and continues: "It is, therefore, manifestly improper for this organization to take any official position in political matters or to recommend candidates for particular offices unless the association is attacked."

Hits "Special Counsel" Fee

NEW ORLEANS, Nov. 4.—Attorney-General Percy Saint has served notice on the Louisiana insurance commission that in the future it must depend on his office for legal services, instead of employing special counsel. This notice was served by the attorney general when he advised the commission that he would not approve "any fee in excess of $15,000" for services performed by special counsel in defending a suit brought by the fire companies to secure approval of an increase in rates in Louisiana. The special counsel employed by the commission submitted a bill for $25,000, which the attorney-general said he considered excessive. The suit was withdrawn after the commission made request on the companies for additional funds to be used in its defense.

Women's Club Dinner-Dance

The Women's Insurance Club of Nashville, composed of employes of insurance offices there, will give its annual dinner-dance Nov. 9. The object of the club is the education of members through review and discussion of matters pertaining to their profession. Mrs. Florence B. Lawler is general chairman.

Opens New Mobile Agency

James H. Glennon has left the James K. Glennon & Co. agency, Mobile, Ala., to establish a new agency. He has the Mobile agency of the Twin City Fire, Bankers Fire of Birmingham, Union Marine & General and the American Surety, the latter under a dual agency arrangement with James K. Glennon & Co.

Virginia Notes

The **Goodwin Insurance & Realty Co.** of Salem, Va., has incorporated. J. R. Goodwin, Jr., is president.

The **Pocahontas Insurance Agency,** Bluefield, Va., has changed its name to the Southwest Insurance Agency.

Custis Garrison has sold the insurance business which bore his name to Kellam & Eaton, Roland Court building, Virginia Beach, Va.

The **Mutual Insurance Agency,** Martinsville, Va., has been incorporated. R. S. Brown is president; M. K. Harris, vice-president; W. T. Turner, secretary.

Ben A. Ruffin, well known local agent of Richmond, Va., has been elected president of the Lions Club of that city. Mr. Ruffin is a former president of the Lions International.

Tennessee Notes

The **Fox Insurance Agency,** Rockwood, Tenn., has been incorporated by Claude Seward, Jack Tarwater and Polk Tarwater.

C. G. Walline and R. L. Bilderback, who formerly operated the **Chattanooga Insurance Agency,** Chattanooga, Tenn., have dissolved partnership by friendly agreement and will enter the insurance business individually.

Albert S. Orr has taken over the agency of the Industrial Guaranty & Mortgage Company of Charlotte, N. C., and hereafter will operate under his own name. He has been manager of the insurance department of the financial institution.

ON THE PACIFIC COAST

John H. Martin Is Elevated

Becomes Assistant General Agent of Home of New York Group on Coast

SAN FRANCISCO, Nov. 4.—John H. Martin has been made assistant general agent for the Home of New York and allied companies on the Pacific Coast. Ray Decker is general agent. P. A. Normand and C. I. Magill, assistant general agents for the Home companies for some years, have been appointed assistant general agents for the National Liberty and Southern Fire.

Mr. Martin is one of the best known and most popular fire executives here and is credited with much of the recent success of the Fire Underwriters' Association of the Pacific which he has served as secretary for a number of years. As superintendent of agencies and later assistant manager under John P. Breeden, Pacific Coast manager of the National Liberty, until its consolidation with the Home group last year, Mr. Martin then became a part of the Home organization. Prior to his connection with the National Liberty he was with the Royal group for 18 years.

Oregon Commissioner Gives Warning About Companies

Commissioner Averill of Oregon has sent out a notice to the public stating that his department is constantly besieged by citizens of the state asking aid in the settlement of loss claims against companies that are not licensed in Oregon. He said that these policies were purchased largely through advertisements in newspapers or solicitation by mail or radio. He tells Oregon people under no circumstances to take out insurance in unlicensed companies. He declares that if such a person has a policy in such a company it is an expensive and altogether uncertain proposition.

Virginia F. & M. Transfers

Selbach & Deans are to become general agents for the Virginia Fire & Marine Jan. 1 with the transfer of the Westchester to the Crum & Forster office and the Connecticut to the Clifford Conly office. All three are now under the management of H. L. Simpson, who becomes associated with Clifford Conly as associate manager of the Phoenix of Hartford and Great American.

Milligan and Long Honored

Edward Milligan, president, and George A. Long, Jr., vice-president of the Connecticut, who have been spending some time in San Francisco in connection with the transfer of their company to the Clifford Conly office, were guests of honor at a luncheon given by Willard O. Wayman, Pacific Coast manager of the National of Hartford. Manager Harry L. Simpson was also an honored guest.

Opens Office at Tucson

The Southwestern Adjustment Bureau of Phoenix, Ariz., has opened a branch at Tucson, Ariz., with George A. Cresswell in charge. He has had a number of years experience in losses and is regarded as a very competent man. The Southwestern Adjustment has been operating a number of years in independent loss work having maintained only its head office in the Heard building, Phoenix. It is giving added service through its Tucson office.

Cover Harbor Property as Unit

LOS ANGELES, Nov. 4.—The Los Angeles Fire Insurance Exchange has arranged to write fire insurance on city property in the harbor district as a unit, with each agency member of the exchange participating. The plan, which

was approved by the board of harbor commissioners after considerable discussion, becomes effective May 1, 1932, and provides a rate of 92.5 cents per $100 for five years on harbor department property, with the 100 percent average clause and elimination of the distribution clause, one-fifth of the total line expiring each year. The approximate total of the line is estimated at $7,000,000 with present expirations at varying intervals, which will necessitate considerable time for completion of the coverage under the new blanket form. It is understood that the entire line will be written in board companies, with supervision of the risk by engineers of the Pacific Board.

Haven Talks on Tariff

SAN FRANCISCO, Nov. 4.—W. S. Haven, chief examiner for the Pacific Board, addressed the associate members of the Fire Underwriters Association of the Pacific on "The Tariff" Nov. 3, in the sixth of the fall series of lectures sponsored by the association.

Blue Goose Golf Tourney

The California Blue Goose will hold its next golf tournament on the course of the California Country Club at Culver City, Nov. 16.

Southwest Association Head Quits

LOS ANGELES, Nov. 4.—Following his resignation as Los Angeles manager for the Carl N. Corwin Co. to engage in the local agency business at Long Beach, Cal., W. Leslie Miller has also resigned as president of the Special Agents Association of the Pacific Southwest. Pending the election of a successor, S. J. Ogilvie, Providence Washington, is acting president.

Beckett Los Angeles Speaker

LOS ANGELES, Nov. 4.—S. H. Beckett, deputy insurance commissioner, who is temporarily in charge of the Los Angeles office, discussed before the Accident & Health Managers Club of Los Angeles the agents' qualification law enacted at the last session of the legislature and answered questions on the details of the new law.

Guests at the meeting included F. H. Hunter, vice-president, Interstate Business Men's Accident, Des Moines; H. E. Kelley, manager accident department Pacific States Life; and J. E. Connell, special agent Rolph, Landis & Ellis.

Mrs. Stevens' Father Dies

The formal "opening" of the new offices of Jay W. Stevens, state fire marshal and chief of the fire prevention bureau of the National Board, which was scheduled for Nov. 2, was indefinitely postponed due to the death of C. A. Lenhardt, father of Mrs. Stevens, which occurred while the chief and Mrs. Stevens were passing through the Panama Canal en route home from the convention of the International Association of Fire Chiefs.

Farewell for Field Men

Lorrin K. Carroll and Lee S. Rogers, special agents of the Fire Association and Constitution Indemnity, were guests of honor at a farewell banquet in San Francisco. Mr. Carroll has been transferred to Seattle and Mr. Rogers will hereafter make his headquarters in Los Angeles.

IN THE MOUNTAIN FIELD

Trend to General Agencies

Exceptional Expense of Getting Business Through Branches Cited, Yet They Produce Majority

DENVER, Nov. 4.—It is roughly estimated that 40 percent of premiums received by fire companies operating in the Rocky Mountain field come through general agencies, the remaining 60 percent being secured by agencies either reporting direct to company home offices or to the Pacific Coast branches at San Francisco.

By virtue of the comparatively sparse population of the states comprising the territory, the limited number of important centers and the long distances between them, the expense of cultivating the field for any individual company, except one of unusual size and great carrying capacity, is exceptionally heavy. Hence there is a predilection among many offices to effect general agency arrangements, a policy that has been growing in favor for years and which promises to become still more popular.

There are a number of important general agencies here all representing a score or more companies each employing a staff of special agents who cull the field constantly. The general agent, operating on a fixed commission basis, assumes responsibility for all premium collections and if a local representative falls by the wayside financially the loss is borne, not by his companies, but by the general agents in control.

As the profit of a general agency is dependent on the amount and character of its business, there is every incentive for constant development of the field and the exercise of underwriting judgment in the selection of risks.

Cites Gas Tank Truck Hazard

DENVER, Nov. 4.—Restrictions in the speed of gasoline tank trucks and deliveries made between certain hours at night are suggested as remedies to minimize the hazards to life and property in congested areas by Clarence H. Creech of the Wilson-Creech Insurance Agency. "It is beyond the ability of any one to analyze,' he declared. "just what might happen if one of these tanks got out of control in any congested area and the gasoline caught fire."

Speed is essential for fire and police trucks in emergency calls, Mr. Creech says in answer to an article in the Denver "Post," which suggested that speed of the fire and police cars be curtailed. "If civilian traffic cannot recognize the purpose of the terrific din caused by the various departments on their way to a call," he says, "it would be a hopeless task to protect their lives and property at any speed. This very din is a welcome sound to the poor souls who are in peril."

Santa Fe Agency Sold

The Beall Agency, Santa Fe, N. M., has been sold to the Lujan-Moss Agency. Byron Beall, former proprietor of the Beall Agency, has been appointed state tax commissioner.

Company Men in Denver

Denver visitors the last week included William Murray of Jens, Murray & Co., Chicago; A. R. Phillips, vice-president Great American group; T. C. Underwood, Chicago, superintendent of agencies America Fore group, and Ormand Keller, Salt Lake City, state agent Commercial Union fleet.

Training Course for Firemen

A two-day training course for firemen was conducted last week at Fort Collins, Colo. H. P. Ruthenburg, Denver, arson investigator of the National Board, was a speaker. L. A. Barley, Denver, chief engineer Mountain States Inspection Bureau, was toastmaster at the banquet.

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EASTERN STATES ACTIVITIES

New License Law Explained

Commissioner Armstrong of Pennsylvania Advises of Procedure Required Because of Recent Amendment

Companies operating in Pennsylvania have received a communication from Commissioner Armstrong giving instructions as to the procedure involved to comply with the recently enacted amendment to the insurance act requiring the licenses of the active officers of an insurance corporation and the active members of a co-partnership or firm to be uniform. This amendment, he explained, will prohibit an active officer of a corporation or an active member of a firm from holding an individual license to represent a particular company. He says there are a great number of corporate agencies or firms in Pennsylvania which will be affected.

The amendment became effective Sept. 1 and will affect new licenses and old licenses expiring March 31, 1932. The licenses of each firm and corporation must be uniform in every respect. Each active member of a firm or active officer of a corporation must be licensed for the same companies.

Illustration Is Given

To illustrate, Mr. Armstrong pointed out, if John Smith, holding a fire insurance license; John Doe, casualty, and Harry Brown, life, desire to form a firm or corporation to transact a general insurance business, it would be necessary for them to qualify through service or by examination, by having Smith become licensed for a casualty company represented by Doe and the life company represented by Brown; for Doe to be licensed for the fire company represented by Smith and the life company represented by Brown; for Brown to be licensed for the fire company represented by Smith and the casualty company represented by Doe.

When this uniformity has been accomplished an application will be entertained for the firm for the three companies.

The companies are asked to determine definitely the active officers of all corporations and the active members of all firms which now have licenses for that company, so that the names of those active officers may be included in the company's renewal list for the new insurance year, which must be filed before Feb. 1.

Demand for Policy Is Found

Fire Companies Report Gratifying Market in New Jersey for Seven Point Contract

Fire companies operating in New Jersey report a gratifying demand for the seven point policy now sanctioned in that state. Many agents in renewing their residence business issue the broad form, which in the great percentage of cases is accepted by the assured without question, once the very slight additional charge is noted. Sale of the policy is increased not a little through the demand of banks and trust companies that it be carried by their mortgagees, instead of the more limited straight fire coverage.

A. N. Butler Returns to New York Department at Albany

NEW YORK, Nov. 4.—A. N. Butler has been appointed executive assistant at the head office of the insurance department at Albany, and will assume the post within a short time. He had been connected with the department for some 15 years, prior to his retirement in 1929, when he left to join the investment house of J. A. Sisto & Co. as head of its insurance division, subsequently making a like connection with Livingston & Co.

At the time of his resignation from the department Mr. Butler was chief examiner, and the particular knowledge there gained, together with his familiarity with departmental procedure generally, will make him a valuable aid to Superintendent Van Schaick. The late T. F. Behan held the title of executive assistant prior to his advancement to the superintendency, which appointment preceded his death in 1930 by a brief period.

S. D. Macpeak Resigns

S. D. Macpeak, third deputy in the New York department, has resigned to enter the practice of law. He joined the department in 1925 as secretary to Superintendent Beha. He became third deputy the next year and was made second deputy a few weeks ago.

Rose Sells Wilmington Branch

BALTIMORE, Nov. 4.—Henry L. Rose & Co., adjusters, have sold the Wilmington, Del., branch office to Hart Cooper, who has been resident manager of the branch office for the past two years.

Henry L. Rose & Co. will continue to handle all classes of adjustments except life in Maryland and Delaware and the District of Columbia.

New Jersey Fire Losses

NEWARK, Nov. 4.—The estimated fire loss in New Jersey for October is $442,000, a decrease of more than $34,000 from 1930 figures. Dwelling fires again predominated, losses ranging from $25 to $20,000. The estimated total for the first ten months is $6,546,000, compared with $14,928,000 in 1930, showing a decrease of more than $8,000,000.

NEW ENGLAND NEWS

Colwell Reelected President

Rhode Island Association Holds Annual Meeting at Providence—Much Interest Is Shown

PROVIDENCE, R. I., Nov. 4.—The annual meeting of the Rhode Island Association of Insurance Agents was held here last week. The meeting was well attended and much interest shown in the progress of events during the past year.

The following officers were elected: President, Paul A. Colwell, Providence; vice-president, A. A. Emonds, Bristol; secretary-treasurer, George I. Parker, Pawtucket; national councilor, Mr. Colwell; county vice-presidents: Providence, J. G. Henshaw; Kent, A. W. Bradley; Bristol, B. M. McDougall; Newport, G. W. Callahan; Washington, W. E. Shannon.

Committee chairmen are: Finance, C. F. Newcomb; membership, E. B. Dane; conference, P. A. Colwell; legislative, T. E. McDonnell; prevention, C. B. McKinney.

Secretary Parker reported on the National association's Los Angeles convention. The developments of the past year were reviewed by President Colwell in his annual address.

Mountain Fire Club Meets

Progress of Salvage Work Discussed by Vermont and New Hampshire Field Men

MANCHESTER, N. H., Nov. 4.—The Mountain Fire Club, made up of special agents covering Vermont and New Hampshire, opened its winter season with a dinner meeting here last week. President W. J. Hutchins outlined a campaign in connection with the matter of salvage operations in the various fire departments of the two states, which the club is advancing.

P. C. Charnock, New England Insurance Exchange, outlined the methods of the salvage corps in the larger cities and told of the extent and value of equipment necessary in smaller cities and towns. Charles H. French, Manchester fire chief, discussed salvage work in his department; and L. Clarner, Jr., secretary New Hampshire Board of Fire Underwriters, described the work now being done in the Granite State.

Other guests were President A. B. Gile of the New Hampshire Association of Insurance Agents and Charles W. Varney, national councillor for New Hampshire of the National Association of Insurance Agents, both of whom praised the field club for its splendid cooperation with the agents' association and for its proposed constructive work along the line of salvage operations.

New Hampshire Agents Meet

Gile Reelected President—Collections Discussed—Cole Reviews National Association Meeting—Sullivan Talks

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Executive Committee — Clarence I. Spaulding, Nashua; Robert R. Stanley, Lincoln; Von J. McPherson, Claremont; A. B. White, Keene, and Ralph N. Davis, North Conway.
National Councillor—Charles W. Varney, Rochester.

MANCHESTER, N. H., Nov. 4.—The annual meeting of the New Hampshire Association of Insurance Agents was held here last week with the largest attendance which has ever graced a Granite State meeting, a total of 161

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A-1946 Insurance Exchange, Chicago

being present. In his annual report President Archie B. Gile, Hanover, reviewed the work of the National association and the progress of legislative matters. The Mountain Field Club was commended for its cooperation with the agents' association.

Charles W. Varney, national councillor, also gave an interesting account of the national convention. Edwin J. Cole, Fall River, Mass., and James W. Cook of Providence, R. I., spoke briefly, Mr. Cole explaining some of the national problems and Mr. Cook emphasizing the value of sidelines as premium getters.

W. W. Jump, Century Indemnity claim manager in Boston, talked on "Problems of a Claim Department" in which he urged the agents to get better acquainted with company adjusters and aid and assist them in their work. He urged the agents to always adhere to straight facts in the investigation and reporting of accidents.

Collections were discussed and several members told how they had sent legal cancellation notices to insureds who were 30 to 60 days in arrears with satisfactory results. Promiscuous agency appointments were deplored and the executive committee was authorized to take the matter up with the insurance commissioner and the companies.

The National Union Fire was restored to the list of conforming companies in a resolution endorsing the National association's similar action. The convention also approved the incorporation in fire and casualty policies of an automatic cancellation clause providing premiums are not paid by the assureds within a stated time.

President Sargent Talks

President Gile presided at the banquet. I. M. Boardman, president Vermont association; James W. Cook, former president Rhode Island association, and President Frank W. Sargent, New Hampshire Fire, spoke briefly.

Commissioner Sullivan of New Hampshire touched on several problems close to the agents' business, scored the Massachusetts compulsory automobile liability insurance act and called attention to the successful operation of the financial responsibility law of New Hampshire which had been framed by a Massachusetts insurance executive.

At the close of Commissioner Sullivan's talk, George F. T. Trask, Keene, past president, called attention to the commissioner's unfailing adherence to the highest principles in the conduct of his office and his unfailing friendship for the agents' organization and presented him a silver cigarette case as a testimonial from the New Hampshire agents. R. R. Larmon, Dartmouth College, talked on Russia.

Connecticut Agents' Meeting

The annual meeting of the Connecticut Association of Insurance Agents will be held at the Hotel Stratfield, Bridgeport, Dec. 3. The program for the meeting is now being arranged.

Set New England Convention

BOSTON, Nov. 4.—The next annual convention of the New England Associations of Insurance Agents, it is announced by the New England Advisory Board, will be held at the Mount Washington hotel, Bretton Woods, N. H., July 5-7, 1932.

H. C. Learned, banker and head of J. C. Learned & Co., one of the oldest insurance and real estate firms in New London, Conn., died last week of heart disease. He was 70 years old.

IN THE CANADIAN FIELD

Underwriting Profit Shown

Dominion Department Gives Fire Companies' Experience for 1929-30 and Also for 60 Years by Decades

OTTAWA, ONT., Nov. 4.—The underwriting profit of fire companies on their Canadian business, as compiled by the Dominion department for 1930, was 1.11 percent below the 1929 figure. There is also shown for the purpose of comparison the experience of the 60 years 1869-1928 by decades. The ratios for the years prior to 1921 are the rates of underwriting profits percent of net cash premiums received, and for 1921 and subsequently the rate of underwriting profits percent of net premiums written.

The figures by classes of companies follow:

Period	Canadian	British	U. S. & For.	All Cos.
1929	4.41	0.32	2.96	1.96
1930	—2.62	2.19	0.78	0.85
1869-78 ...	—15.01	—17.56	—2.28	—15.29
1879-88 ...	—2.13	10.20	16.59	7.59
1889-98 ...	0.52	3.84	—0.85	2.65
1899-08 ...	—1.65	5.43	9.06	4.62
1909-18 ...	2.88	9.65	7.26	7.68
1919-28 ...	1.65	5.60	4.71	4.70
60 years..	0.16	6.00	5.57	4.85

To Drop Some Mutuals

TORONTO, Nov. 4.—The Canadian Casualty & Automobile Association at a meeting here adopted unanimously a resolution to eliminate from membership mutuals whose policyholders share in the liability or where profits are shared with policyholders. It was officially stated that this action was necessary to carry out the association's constitution, and bring its practice into line with that of other underwriting associations in Canada. As a result of this step, the Lumbermen's Mutual, Northwestern Mutual and Central Manufacturers will withdraw from membership.

Gets Life Term for Arson

In the Manitoba provincial police court, George Paynter, 20-year old Indian youth, was sentenced to life imprisonment on conviction of a charge of arson. Paynter set fire to the convent at Cross Lake, Man., after two previous attempts had failed. One sister and 13 girls lost their lives in the fire. He had been punished for infraction of the rules and admitted that he set fire to the building for revenge.

Canadian Notes

The **Glens Falls** is no longer writing hail insurance in Canada.

The **Pacific American Fire** of Los Angeles is now writing fire insurance in the province of Quebec, under the management of Dale & Co. of Montreal. It holds a Dominion license.

Motor Insurance Events

Respond in Fine Spirit

National Automobile Underwriters Association Is Now Assembling the Year's Loss Experience

NEW YORK, Nov. 4.—Company members of the National Automobile Underwriters' Association are responding in fine spirit to the request of Manager J. R. Moore that the loss experience for the fiscal year ending Aug. 31 be furnished more promptly than has been customary in the past, and the data is being supplied in increasing volume daily. As soon as complete returns are mobilized the material will be assembled and analyzed by the staff com-

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mittee, and by it in turn referred to the advisory committee and to the directors, their decision being final as to the rates for 1932. It is the ambition of the management to have the new manual ready for distribution early in January, which would be several weeks in advance of the customary time.

Collision Loss Ratio High

Companies Operating in New England States Have Had Bad Experience on the Class

HARTFORD, Nov. 4.—In reviewing their experience on automobile business New England fire companies find a discouragingly high loss ratio under full collision covers, and are wondering whether the record is general. The conviction of underwriters here is that it is virtually impossible to make money, or even to come out whole under this form of indemnity, pointing to the unsatisfactory experience over a series of years. They find that where full coverage is granted the average assured is an adept in claim making, and demands recovery for every trivial injury to his car. While many of the individual claims are for small amounts, in the course of a year they aggregate such sum as to preclude all hope of profit for the carrying offices. The experience of companies with the deductible clause is materially better than under full coverage, but even that is nothing to brag of.

Coast Auto Men Elect

SAN FRANCISCO, Nov. 4.—At the annual meeting of the Pacific Coast branch of the National Automobile Underwriters Association, William Deans of Selbach & Deans was nominated to represent the branch as a director of the national organization. His name will be presented at the meeting in New York Nov. 12.

A. T. Bailey, Pacific Coast manager of the North British, was elected chairman of the advisory committee of the Pacific Coast branch, with Fred J. Perry, assistant manager of the Royal Group, as vice-chairman. This automatically places Mr. Bailey on the board of the national association with Mr. Perry as his alternate. Others on the advisory committee are F. M. Avery, Fire Association; Harry Benner, Great American and Phoenix; John P. Breeden, National Union; Arthur M. Brown, Jr., Edward Brown & Sons; Grant Bulkley, Springfield Fire & Marine; E. T. Cairns, Fireman's Fund; Ray E. Ellis, Rolph, Landis & Ellis; Guy A. Inman, Fidelity & Guaranty Fire; Joy Lichtenstein, Hartford; J. R. MacKay, Goodwin & Allen; Edwin Parrish, Continental.

Service Concern Reincorporated

Commissioner Herdman has approved the articles of incorporation of the United Automobile Service & Assurance company of Lincoln. It takes over the business formerly conducted by the United Automobile Service Association, banned by the commissioner because it was selling insurance without authority. The incorporators are H. J. Hall, J. K. Walker, E. L. Dawson, L. M. Birkhotze, C. W. Holm, L. H. Laughlin, H. E. Sackett, Jr., Antonia Synovec and R. M. Pray.

Companies Review All Expirations

(CONTINUED FROM PAGE 3)

able in days gone by. He said that owing to the fact that so many people were affected financially they have not been able to take trips or go on vacations. Therefore many of these resort hotels were badly hit during the summer. There is not much likelihood of a change next year.

He cited a number of classes of business that have been struck amidships and said that the utmost care is needed in underwriting. Even in desirable classes there are numerous policyholders whose affairs are in bad shape, who have not the means to take care of their property or push their business and therefore moral hazard is created.

Losses Are at Normal Stage

Fortunately in this day of reduced income companies have not been subjected to very high loss ratios. In fact the loss record so far this year has not been abnormal, although in some months there was a notable increase in fires. Moral hazard has not developed as many predicted it would. This is accounted for very largely on the ground that heavy stocks are not being carried. Values are comparatively light. Merchants are buying very cautiously and gingerly. They are not taking big chances. Therefore there is not the opportunity for moral hazard to develop and there is not the profit in a fire that otherwise would be the case.

Phases of the Valuation Question Are Brought Out

(CONTINUED FROM PAGE 5)

the unearned premium reserve. These are possible remedial or corrective measures, which lessen but do not necessarily weaken the financial structure of an insurance company. It means living on a smaller scale, the rebuilding of a structure preparatory to the hoped-for-betterment in general business and economic conditions.

It would seem reasonable to suggest that a provision be made in the insurance laws of the respective states, permitting under certain exceptional conditions, a modification of the rules governing the liquidation of delinquent companies. A life company, for example, under the provisions of Section 82 of the New York insurance law, may not be placed in the hands of a receiver unless it is found to be insolvent after a valuation of reserves on policies calculated according to the American experience table of mortality, with interest at 4½ percent per annum. In other words, this lessens the reserve from the standard 3 percent or 3½ percent basis. Insurance companies, other than life, have a commission equity in their unearned premium reserve. Since commissions are more or less standard today, it would seem that before putting a company into the hands of a receiver, having real earning power and good management, its condition might be determined after giving effect to the actual commission equity in the unearned premium reserve. This is a potential asset which is quite substantially secured so long as a company is permitted to continue business as a going concern.

Hold Temporary Removal Did Not Void the Policy

The Texas court of civil appeals in a recent case had before it a question of temporary removal of property. Rothwell recovered judgment against the companies that carried insurance on personal property destroyed by fire, Oct. 24, 1928. It was stipulated that the policy was located at 888 Calder avenue. On Oct. 23 the assured removed the property to a wash house on the premises to have his wearing apparel laundered. The wash house was situated 38.9 feet north of the building described in the policies. The ironing or pressing not having been completed, the effects remained in the wash house until the morning of Oct. 24, when at 4 a. m. fire destroyed the building.

The only point at issue is whether or not the policies covered the property while contained in the wash house. The assured contended that when a policy covers personal property such as wearing apparel, bed linens, etc., its very character is such that the contracting parties must have known and contemplated that in its ordinary use it would necessarily and often be out of the usual place of deposit and that a loss while the property is temporarily removed from its usual place of deposit, the reason for such being a use that is necessarily incident to the enjoyment of the property, but while still on the premises and under control of the insured, will be construed as covered by the policy. The higher court holds that the assured's contention correctly states the law. Judgment for the assured is affirmed.

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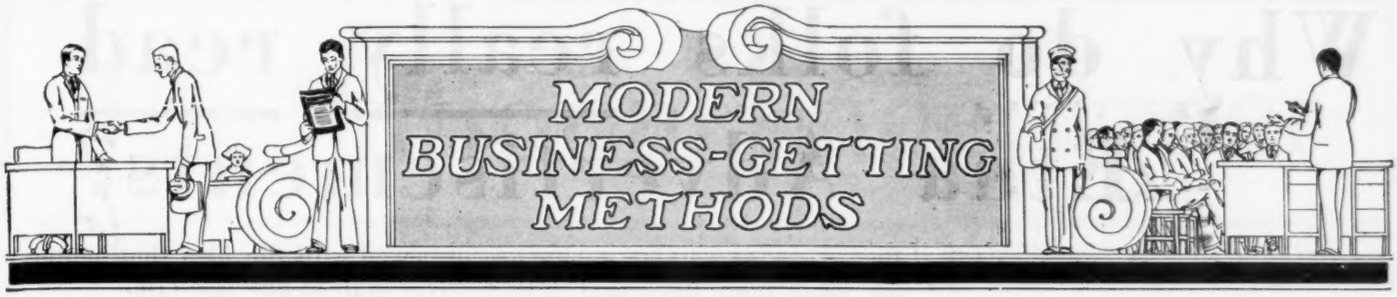

J. B. Sirich Clarifies Problem of Adjustment When Risk Is Insured Specifically As Well as in I. U. B.

From time to time within recent months adjusters throughout the country have puzzled as to whether coverage granted under forms of the Interstate Underwriters Board on risks specifically insured as well, would, in the event of loss be regarded as contributory or would be held as excess.

Clauses 4 and 5, of I. U. B. form No. 1 read:

"It is a condition of this policy that the assured shall have the privilege of placing specific insurance, only when necessary to protect the assured in excess of the limit hereunder, and when rendering statements of values credit will be allowed for specific insurance only, in excess of such limit, but credit for specific insurance not in excess of the limit will be allowed if placed in the company or companies having this insurance or for which permission is specifically granted. Permission granted for other concurrent insurance.

Must Exhaust Liability of the Other Insurance

"This policy does not attach to or become insurance upon property herein described, which at the time of any loss is otherwise insured, until the liability of such other insurance has been exhausted, and shall then cover only such loss or damage as may exceed the amount due from such insurance (whether valid or not and whether collectible or not) after application of any contribution, coinsurance, average or distribution, or other clauses contained in policies of such other insurance affecting the amount collectible thereunder, not, however, exceeding the limits as set forth herein."

Answering an inquiry as to the intent of the clauses quoted, John B. Sirich, assistant manager of the I. U. B., wrote in part as follows:

"Not only is it the consensus of adjusters and company men who have been dealing with this type of insurance for years, that the coverage is absolutely excess insurance where specific indemnity is in force, but there have been a number of claims adjusted upon such basis within the past 12 months.

Confusion Results in Definition of Excess

"While possibly clause 4 under form 1 may lead to some confusion and might be clarified, we feel the difficulty is that you have confused the word 'excess' in the clause 4, which means excess of value beyond the limit, whereas in clause 5 we are dealing with the amount of the loss. Clause 4 has nothing to do with the loss, its purpose being to prevent an assured using his full value in his application for rate, particularly at locations where the specific rate is low, thus obtaining a low average rate and, after this has been accomplished, placing the entire value at this low rated location specifically, thus enjoying this low rate both in the average and under his specific policies. This clause is incorporated in the form for no other purpose and is not to be coupled with clause 5 in any way.

"Clause 5 is not new insurancewise under reporting cover contracts. It has been in use for years and innumerable losses have been settled under it exactly as we now interpret it, and as the clause distinctly states, it does not become insurance or attach on any property that is otherwise insured until the liability under such other insurance is exhausted. This, of course, does not mean that the face of the specific policy is exhausted, if written with coinsurance, because the apportionment under the specific policies would have to be in accordance with that contract. Usually the assured is made to contribute under a coinsurance clause on the specific insurance, if specific insurance is placed in accordance with the I. U. B. form. The assured's contribution, however, is taken up by our contract and paid, as long as it does not exceed the limit shown in the I. U. B. contract.

Injustice in Treating I. U. B. as Contributing

"Another point which I believe has been overlooked is, if the I. U. B. policy is treated as contributing insurance where specific indemnity exists, it would be made to contribute an unjust share of the loss. The limit of loss as set forth in the policy would be the basis of the liability of the company having the insurance under the I. U. B. form. In most instances this limit is a higher amount than the values actually reached during the life of the contract. But the company collects premium on the values only, not on the limit, so it would be paying the loss on a basis higher than that for which it would get a premium.

"The point might be raised that specific insurance is not permitted unless in excess of the limit; specific insurance not in excess of the limit may be written when special permission is granted, and there have been numerous instances where this has been done, usually because of an assured's desire to favor a local agent of his community. For example: A loss occurs at a location where the limit is $150,000; permission has been granted at this point for specific insurance of $25,000 written with the 100 per cent coinsurance clause. The value of the property at this location at the time of fire was $100,000, and did not exceed that sum during the entire life of the policy. The insurance company therefore, collects a premium on average values not in excess of $100,000. If the I. U. B. contracts were regarded as contributing, they would have to pay $150,000, the limit; $175,000, the limit plus the specific coverage on the loss. If the loss were $17,500, the I. U. B. would pay $15,000 and the specific policies $2,500. If, however, the loss was settled under our interpretation of our contract the specific insurance would pay 25,000/100,000, or $4,375 and the I. U. B. would pay the balance of $13,125."

Points Are Illustrated by a Specific Example

As illustrating the points he has brought out in the above Mr. Sirich supplied copy of a loss settlement under an I. U. B. policy, showing the contribution thereto of the specific insurance.

"A multiple location policy was issued the ——— corporation with a $7,500 limit of liability at any one location.

"Statement of values received previous to the fire reported merchandise valued at $10,500 at the New York plant, with $3,000 specific insurance. In the adjustment it developed that the value of the property at the date of the last report was $12,400 and the value at the time of the fire, $12,171. The loss was adjusted at $3,298.

"Company A which carried a specific policy of $3,000 paid the ratio of 3,000 to 10,953 of $3,298 or $903. This policy contained the 90 percent coinsurance clouse.

"Insurance under the I. U. B. form paid that part of the loss, that the value reported on the date of the last report, $10,500, bore to the actual value on the date of such report, $12,400 on the balance of loss after the specific insurance had been deducted which was $2,395. Thus the I. U .B. paid $2,028. Total insurance collected from the I. U. B. coverage and specific insurance amounted to $2,931.50, the assured's contribution being $367.

"The damaged stock was turned over to the salvage company and the net proceeds amounted to $836, distributed as follows: To company A specific insurance $229; company B, I. U. B. coverage, $514; to the assured, $93, which made the assured's contribution to the loss $273 because of the operation of the under-reporting penalty clause."

Occupation Endorsement Should Be Put on Policy

Question.—A man employed in Brookfield, Mo., is transferred to another town. He leaves most of his furniture in the house, when he moves on April 1. In late August his wife returns to the house to take care of the fruit, and spends about a week in the house, canning. One state agent contends that this constitutes occupancy and that the assured would again have permission for the house to remain unoccupied for another six months without additional charge. The household goods are insured under another policy. Is it necessary, when the unoccupancy permit is attached to the dwelling policy, to attach one also to the furniture policy?

Answer.—In the case you present there might be some doubt as to whether occupancy was established or not by leaving part of the furniture in the house and the wife returning to can fruit. Under the uniform forms now in use, occupancy would be established if the house were "entirely furnished." However you state that he leaves most of the furniture in the house but not all. It costs nothing to have an endorsement put on the policy and a company is entitled to the information as to the status of the premises. Therefore in our opinion there is no reason to take a chance. We suppose that a company that had a loss under such circumstances would pay it because of the doubt that exists. However an assured is entitled to full and clear protection before a loss occurs. An endorsement therefore should be on the policy. This applies to the household furniture as well as to the building policy.

Question as to Definition of "Store"

Question.—The instructions with regard to graded commissions include the word "store." What in your opinion is to be considered a store? The dictionary states that a store is a place where goods are collected and sold, and there is no restriction as to the kind of goods. Yet it would appear from the attitude of some of the insurance companies that a store is to be considered only a business institution handling groceries, meats, dry goods, boots and shoes, or drugs. What about small retail concerns handling building materials or coal, and such other merchandise not purchased in small stores or shops on the main street?

Answer.—It has always seemed to us that a great need in the business is that for exact definition of terms. But of course to define anything exactly, even a word, is a most difficult task. We know a man who spent several years defining chemical terms for the publishers of a dictionary. So very naturally we would hesitate to say just what a "store" is.

In this case since the word is one used by the companies to express a definite class of business, they are the ones to say just what they mean by it. The word is a comprehensive one and without explanation does not express a definite kind of premises. Should the companies not be asked to say just what a "store" is as they understand it? Any definition that we might offer or that you might give might not express the exact idea the companies have in mind when they use the word.

Probably it must be a merchandising establishment where goods are kept or "stored" for sale. But must they be kept under roof or may they be kept in the open? Is a hardware store not a "store" because some of its merchandise is kept or "stored" in the open? If some may be kept in the open why not all?

Is an automobile filling station a "store"? If not, why not? And how about an automobile sales agency? Is it a "store"? How about a retail lumber yard or the premises of a merchant who sells coal, brick, lime, cement, etc.?

One suggestion is that you take the matter up with your companies separately and see just what each says.

The **Wright Insurance Agency**, Hodgenville, Ky., has been transferred to Duckworth & Enlow, a new agency composed of Irvin Duckworth and Earl Enlow. Bob Wright, formerly with the Wright agency, will have charge of the new agency's farm department.

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✓ *Would Your Policy*	satisfy a court award for personal liability, without extra cost to you, even if a jury verdict for injuries caused by your car should run to six figures?	☐	☐	☐
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November 5, 1931 CASUALTY AND SURETY SECTION Page Thirty-one

Suggests Cure for Fake Fleet Evil

Should Compel Writer to Charge Same Low Rate to All

KEMPF IN PEORIA TALK

Travelers Man Says Auto Liability, Compensation, Accident Must Be Restored to Profitable Basis

Insistence by the state that writers of fake automobile fleets quote the same low rate to all policyholders was advocated by L. J. Kempf in his address before the annual meeting of the Illinois Association of Insurance Agents in Peoria as the most effective means of eliminating the evil. Mr. Kempf is casualty manager for the Travelers in Chicago.

He expressed the belief that cut rate fake fleets are doing more to undermine the agents' business than anything that has happened in the casualty business for years.

"If the employes of a bank, telephone company or any other commercial concern are entitled to a cut rate of 25-40 percent off manual, why aren't all individuals entitled to the same discount? This is what the insurance department should be asking these cut rate companies. In fact the department should compel such companies to write all of their business at cut rates. This, in my opinion, would immediately cure this fake fleet situation."

Considers Other Lines

In addition to automobile public liability, Mr. Kempf took up the other major casualty lines which have turned sour—workmen's compensation and personal accident. Accident prevention work is the answer, he said.

"The depression has restored underwriting judgment," Mr. Kempf declared. Companies and agents must cooperate in making these casualty lines profitable again.

Mr. Kempf remarked that before 1928 automobile liability was profitable but in the three years 1928-1930 it has produced a 4 percent underwriting loss on over $450,000,000 in earned premiums despite substantial increase in premium volume in 1929 and 1930.

Mr. Kempf quoted the 1930 accident record to show why automobile liability is now producing an underwriting loss. He said that insurance men everywhere should be in the forefront in every safety movement, contributing their time, thought and experience. "The general public is becoming thoroughly aroused over this appalling automobile accident condition."

The speaker said that recklessness cannot be cured by increasing rates, because the public won't stand for it. "It must be done by the education of the

(CONTINUED ON PAGE 36)

Petition to Commissioners

Eastern Executive Asks Broadening of Powers in Every State in Move to Meet Inland Marine Competition of "Comprehensive" Policy

Insurance commissioners in most of the states have been petitioned by one of the most important casualty executives in the east, in a lengthy letter clearly setting forth the controversy between casualty and inland marine companies on the so-called "comprehensive" policies issued by the latter class of carriers, and urging consideration of the question whether fire companies should be permitted to write casualty, and also whether casualty companies could be granted permission to write this form, if fire companies are permitted to continue it.

The communication refers particularly to the all-risk personal property floater contract, jurisdiction over which is to be taken, effective Dec. 15, by the Inland Marine Underwriters Association. The news that this policy was being written by some companies, that then it was being considered for adoption by the I. M. U. A., and finally that this organization had taken such action, was presented exclusively by THE NATIONAL UNDERWRITER.

Presents Serious Problem

It presents one of the most difficult situations now facing casualty companies, who see in it dangerous encroachment on their business. The burglary department of the National Bureau of Casualty & Surety Underwriters at a meeting Oct. 30 severely criticized the inland marine companies for their methods. A brief has been filed with the New York insurance department urging amendment of law at the spring session of the legislature to make it possible for casualty companies to meet this competition.

THE NATIONAL UNDERWRITER'S original news story on the all-risk personal property floater is quoted at some length in the letter to state commissioners and attached is a copy of the policy in question. The letter, sent on behalf of the casualty companies' committee on inland marine competition, reads in part:

"This is distinctly a new departure and inasmuch as we have been engaged for twenty years or more in the writing of insurance against loss by burglary and theft we are naturally somewhat concerned at hearing of this contemplated action and presumably so are the other casualty insurance companies. We feel entitled to assume that the net result of this proposed action would be to transfer burglary insurance from the casualty insurance companies over to the fire and marine insurance companies."

The author requested consideration of a statement in the 62nd report of former Superintendent J. S. Phillips of New York dividing carriers into life, fire and casualty and setting forth that a fire company may insure perils of the sea but cannot invade casualty and surety. The writer urged this as "an accurate and authoritative summary of the philosophy of American insurance." He continued:

"The laws of every state in the United States separate and classify the various types of insurance companies and in no state is it now possible to organize a company for the purpose of transacting any and every kind of insurance.

"We understand that we are licensed in your state to write insurance against loss by burglary and theft, but that we cannot write insurance against loss by fire or similar hazards. Is it possible that companies licensed to write fire insurance in your state are empowered to write insurance against loss by burglary and theft?

Quotes Marine Underwriter

"Recently a prominent marine insurance underwriter was quoted as saying: 'No marine form of policy may be written by any New York or New Jersey chartered company anywhere nor, in fact, by any company chartered in most of the states of the Union, and by no company domiciled in any other of our states involving risks in the states mentioned, unless transportation is involved as the primary condition in which the property to be insured is situated while it is covered.'

"It may be that the issuance of this proposed broad form policy would be a progressive step, although it appears that in the final analysis the policy amounts to nothing more than a consolidation of the coverages which are now available under separate forms and that aside from the fact that a number of coverages would be put together into one policy, there is nothing new nor unique about this form.

Enunciates the Issue

"However, the question which we now wish to lay before you for consideration is whether or not fire insurance companies should be privileged to incorporate into their policies burglary and theft insurance and thereby appropriate a type of business designated in the laws of all of the states as being a branch of the casualty insurance business, without reciprocal authority being granted to the companies licensed to do a burglary and theft insurance business. Putting the question in another way, shall we be privileged to issue this new form on a basis of equality with the fire insurance companies?

"It is not our intention to attempt to block progress, although we have some mental reservations as to whether or not it will be consonant with good public policy for insurance companies to issue this proposed form. Neither do we wish to appear unduly belligerent or impertinent. We simply want to ask for what we believe to be justice. If the law now restricts us to the writing of burglary and theft insurance and forbids us to write fire insurance, does it not seem equitable that the rule should work both ways?

"If fire insurance companies will now proceed to supplant our outstanding

(CONTINUED ON PAGE 36)

Accident Cost Is on the Increase

Companies Are Feeling the Effects of Greater Liberality in Policies

PREMIUM NOT ADEQUATE

Benefits Have Been Added Without Sufficient Compensation to Cover the Extra Hazards

NEW YORK, Nov. 4.—Liberalizations in policy benefits without increase in premium and increased accident frequency, the latter principally due to automobiles, are the basic reasons which explain why companies must either get more premium for their present policies or reduce the amounts payable and charge the same premium, according to a prominent accident and health official.

Increase in Cost Seen

"In 1911 the accident policy was liberalized so that accident policyholders who were permanently disabled could draw indemnity for so long as they lived and suffered such disability," this official continued. "Prior to that time the indemnity limit had been 200 weeks or from 200 to 300 weeks based on the principal sum of insurance. This extension did not cost much for the first five years. Then came the reckoning until a provision which everybody conceded was a good thing but thought would not be very often called upon was found to be costing the companies an increase of 10 to 20 percent over what they had paid under the old limits.

Accumulations from the Start

"In 1915 the companies adopted what was known as a fully accumulated policy. They did this without increasing the premium. This policy largely took the place of what was known as the accumulative policy. Under the accumulative policy the principal sum insurance for death and major dismemberments and fractional amounts for hand, foot or eye accumulated 5 or 10 percent a year until 50 percent had been added. Under the new policy the 50 percent was added at the start. This increased payments for death and dismemberments 25 percent on the average.

Auto Hazard Universal

"These two liberalizations have resulted in a large increase in payments made under accident policies. While the automobile hazard began to make itself felt commencing with about 1908, it was not until after the war that the number of automobiles in use had increased to an extent where the hazard became almost universal. Everyone who reads the papers knows what loss of life and disability has resulted from the use of the automobile."

All-Risk Church Burglary Policy Issued by Bureau

MINIMUM PREMIUM IS OUT

Comprehensive Contract Is Put Out as Handy Substitute for Extemporized Coverages

In promulgating the new comprehensive church burglary, robbery, theft and larceny policy, the National Bureau of Casualty & Surety Underwriters indicates that it is now committed to the all-risk principle. It will be recalled that the bureau recently put out a comprehensive burglary contract for stores and an all-risk household policy is under consideration.

The church policy excludes only loss of money or securities stolen from poor boxes. Under one contract coverage is given on money, securities, furnishings, musical instruments, hymnals, scrolls, vestments, sacred vessels and furniture and fixtures as well as fidelity of officials. The policy was prepared by the burglary governing committee of the bureau and the bureau department staff. The rate is 5 percent of the amount of insurance, subject to no minimum premium. It may be applied to specific articles, excluding money and securities, at 2½ percent.

The contract applies to the parish house, parsonage, rectory or residence occupied by the administrative officer or to any other building used for conducting religious or educational activities.

Messenger robbery coverage is granted, including money and securities being transported outside of the church within the United States or Canada.

Heretofore to cover money belonging to the church on all locations, the casualty companies have used the regular office and messenger robbery contract with suitable endorsement. To protect all property with the exception of money and securities a regular residence burglary policy was issued. When burglary, larceny and theft was covered, the rate was 4 percent with a minimum premium of $20, and when burglary only was covered the rate was 3.2 percent with a minimum premium of $16.

Opportunities Offered for Plate Glass Insurance Seen

Assistant Secretary W. D. Clark of the Fidelity & Casualty, who has charge of the plate glass department, predicts that there will be a large increase in volume of glass that can be insured. Most of the insurance covers outside plates but he calls attention to the fact that interior glass has been increasing materially and this for the most part is not insured. He says:

"However, according to architects and others, the age of glass structures is to arrive in the near future and if such predictions are fulfilled, there will be a tremendous new field opened for builders and insurance men.

"Walls and ceilings of glass, it is said, will be features of new structures already being contemplated, the sheets of glass being laminated for strength and set in steel frames. Color combinations, which will be permanent and require no paint, will be arranged to suit the public taste. Exterior wall glass is to be so fabricated that it will permit one-way vision only to insure privacy and thwart the curiosity of interested passers-by, while roofs are to be of corrugated wired-glass."

Executives Body at High Mark

Through the accession of the Travelers and Travelers Indemnity to the Association of Casualty & Surety Executives, membership has been increased to 63 companies, the high mark in its history.

Anniversary Year

GEORGE R. KENDALL

President George R. Kendall of the Washington National of Chicago announces that the coming five weeks will be employed to celebrate its 20th anniversary. It now has over 700,000 policyholders. Mr. Kendall personally paid the first claim. Since then over $18,000,000 has been paid to policyholders and beneficiaries. President Kendall is one of the outstanding men in the insurance field. The company in recent years has taken up life insurance in addition to accident and health, and is making itself felt in that direction. It is licensed in the District of Columbia and every state in the country but one. Its first home office was at Springfield, Ill.

Bureau Advances Rountry, E. E. Robinson and Spottke

E. E. Robinson, manager automobile department National Bureau of Casualty & Surety Underwriters, has been appointed acting secretary. Other promotions are those of R. J. Rountry, assistant to the general manager, who becomes comptoller, a new office, and A. E. Spottke, who succeeds Mr. Robinson as manager of the automobile department.

Mr. Robinson joined the old National Workmen's Compensation Service Bureau as a clerk in the actuarial department in 1921. Two years later he was transferred to the automobile department of the National Bureau and became its manager in 1926. Mr. Rountry was associated with James A. Beha, general manager, in the International Trust Company and followed him into the bureau. Mr. Spottke joined the automobile department in 1926 and has continued there.

California Motor Deaths Increase

SAN FRANCISCO, Nov. 4.—An analysis just issued by the California highway patrol shows 1,682 persons killed in motor vehicle accidents in California the first eight months of 1931, compared with 1,478 last year. The number of motor vehicle accidents also shows an increase, 22,661 against 19,763. Persons injured are 31,495 against 26,333 in 1930.

One encouraging feature is a decrease of 5 percent in the number of pedestrians involved in traffic accidents in August, the second consecutive month showing such a decrease. The number of drivers involved in accidents who had been drinking increased 68 percent over that of August, 1930, while the number of pedestrians who had been drinking and were involved in accidents increased 14 percent.

Companies Declare Dangerous Precedent Is Being Formed

STIRRED UP OVER RULINGS

Commissioners in the Far West Command Accident Companies to Make Changes in Policies

Accident company officials are considerably stirred up over the rulings that are to go into effect Jan. 1 as announced by the state commissioners of the Pacific Coast and Rocky Mountain territory. The commissioners met the Saturday before the annual meeting of the National Convention of Insurance Commissioners at Portland and agreed on the rulings that they would send out. There was no hearing given the companies. While the rulings affect chiefly so-called newspaper or limited accident policies those writing a general business feel that a precedent will be established if they are not contested.

Retroactive Feature Developed

The most serious feature is the retroactive injunction that the commissioners make. They command the companies to put a rider on all existing policies changing their terms. Company officials declare that if state commissioners are able to dictate terms of policies they are going a very long way in their discretionary powers. Officials do not hesitate to say that this is a dangerous procedure. If state officials can dictate a policy provision it means that the state is reaching far down into private business.

Considerable objection is made to the ruling on common carriers being wrecked or disabled before a company is liable for injury. The commissioners declare that companies resort to technicalities in settling some claims. Some companies give triple indemnity where a vehicle is wrecked or disabled. They pay the usual double indemnity for common carrier accidents but if the carrier is wrecked or disabled they pay triple indemnity. There may be an effort made to define more clearly what is meant by a vehicle being wrecked or disabled. The commissioners declare that they have had no end of trouble with these policies because people felt they were fully covered and they hold advantage has been taken of policyholders in claim settlement.

Ruling on Hospital Benefits

Another ruling that the commissioners make to which objection is found is the requirement that full hospital benefits shall be paid regardless of whether a policyholder has received benefit elsewhere. For example, a workman is covered under the workmen's compensation law and is sent to a hospital. His employer pays his expenses. The companies declare therefore that this benefit should be subtracted from their benefit and they pay only the excess. The commissioners rule that this is out of order. The companies say that one of the practices which they desire to guard against is over-insurance. Where a person profits by his insurance, immediately moral hazard results. In some localities a hospital association collects a dollar a month and that gives the person hospital privileges in case of accident or sickness. Companies feel that the commissioners should have given them a hearing before these rulings were promulgated.

HORSWELL JOINS IN RULINGS

PIERRE, S. D., Nov. 4.—Commissioner Horswell has joined the commissioners of the Pacific Coast and mountain states in issuing the accident and health rulings recently anounced in those states covering the use of the wrecking and disablement clause, payment of hospital benefits and coverage of septicaemia.

Burglary Men Protest New All-Risk Floater Contract

MAY SEEK LEGISLATIVE AID

Governing Committee Condemns Marine Form in Resolution—Claim Credit for Cover's Popularity

NEW YORK, Nov. 4.—The governing committee of the National Bureau of Casualty & Surety Underwriters burglary department passed a resolution at its meeting here last week strongly protesting the Inland Marine Underwriters Association's proposed all-risk personal property floater contract. The committee recommended that an effort be made to amend the New York insurance law prohibiting fire and marine companies from writing under this form.

Contracts Are Liberalized

There has been a decided tendency in recent years to liberalize the fire and marine contracts to include coverages which legitimately come within the scope of the casualty companies. Casualty men contend it is due to their specialized efforts that the casualty lines have been able to develop to a point where both companies and agents derive a substantial income. By combining these coverages under one contract both agencies and companies suffer. There is also difficulty in making loss adjustments and these complications endanger public opinion regarding the business. Casualty officials thought that after the conferences last year the marine men would not attempt to extend coverages under personal property floaters as they have done under the new proposed form.

Unless the casualty and marine men iron out the present irritating situation, it is expected an effort will be made to secure legislation on behalf of the casualty interests next year.

George E. Turner Undergoes Operation for Appendicitis

George E. Turner, president of the First Reinsurance, was operated upon for appendicitis at a Hartford hospital Tuesday. While the operation was successful Mr. Turner is very ill, though his friends hope for his early and complete recovery. He was general chairman of the exercises at Connecticut Insurance Day at Hartford last Friday. He was taken ill while presiding at the forenoon session and was forced to cancel the address he was to have delivered in the afternoon. While the nature of his illness was not then known, appendicitis was suspected.

Wolff's Entire Career Spent with One Company

William M. Wolff, who was general chairman of the Milwaukee meetings and was elected president of the Wisconsin Federation, is resident vice-president of the Fidelity & Deposit in Milwaukee. He started in insurance in 1901 as a stenographer in the Roger Merill agency, when Roger Merill was general agent for the Fidelity & Deposit. So Mr. Wolff's entire insurance career has been with this company.

After working with the general run of office business and management, he started to devote himself to underwriting problems, and achieved a considerable reputation in this end of the business. He was appointed manager for the Fidelity & Deposit at Milwaukee in 1915, and in 1928 named resident vice-president.

Mr. Wolff has been active in the Wisconsin Federation ond Surety Underwriters Association for a number of years. He is also prominent in Milwaukee civic and social affairs.

Connecticut Insurance Day Is Celebrated at Hartford

STRONG PROGRAM PRESENTED

Case Urges Adoption of Automatic Cancellation Clause — Dunham Toastmaster at Luncheon

HARTFORD, Nov. 4.—The opportunities as well as the problems created by present depressed business conditions were discussed at the annual Connecticut Insurance Day here last week. The morning session was featured by addresses of fundamental interest in the fire, casualty, and life departments, following the official welcome by G. E. Turner, president First Reinsurance, who was general chairman of the insurance day committee. Mr. Turner was forced by illness to leave just before the afternoon session opened, which prevented him from delivering his address on "The Competition Forecast—Fair and Warmer."

J. J. Hall, street and highway safety division director of the National Bureau of Casualty & Surety Underwriters, told of the National Bureau's efforts to curb automobile fatalities, which for the 18 months ending Dec. 31, 1930, exceeded those of the American Expeditionary Force during the 18 months the United States was at war. He urged insurance men to get their respective communities interested in accident prevention activities and told of what is being done through the 12,000 posts of the American Legion. An educational program is being launched in which filling stations will display colored posters showing various traffic violations which cause accidents. Mr. Hall deplored the fact that 30 states have no drivers' license laws.

Drivers' License Is Key

R. B. Stoeckel, Connecticut motor vehicle commissioner, led discussion. He said that a vast amount of preparation has been done in accident prevention and that he believed the point has been reached when it can be put over in a big way.

"We have found that an operator's license system is the key to the whole business," Mr. Stoeckel said. "We are progressing to a point where the operator must be something of a personage in order to be allowed to drive. Personality is the biggest factor. Equipment is important too, but equipment is nearly always a reflection of the personality of the driver. Eighty-five percent of the drivers are persons of average intelligence. It is the 15 percent which gives us the trouble. Of those who cause accidents we must learn to distinguish between the drivers who merely need more education and those who should be kept off the road."

Seeks Credit Restriction

J. L. Case, Norwich, former president National Association of Insurance Agents, urged Connecticut insurance men to organize for the automatic cancellation of fire and casualty insurance policies which are not paid within a designated time after being written. It was pointed out that competition largely governs the extending of long term credits and that unless sentiment is crystallized the same practices are likely to continue. The contrast in the method of life companies on this point was cited in the discussion which followed, although it was agreed that it should not be necessary for payment to be made before the policy could take effect.

Fire, casualty, and surety men held their sessions in the afternoon under the chairmanship of W. C. North, Bridgeport, president Connecticut Association of Insurance Agents.

G. W. Scott, assistant secretary of the National Association of Insurance Agents, outlined the progress of the as-

(CONTINUED ON PAGE 36)

Prince of Good Fellows

The death of Bayard P. Holmes of New York, chairman of the board of the Hooper-Holmes Bureau, at the Post-Graduate hospital there Friday night brought personal sorrow to a large circle of friends. There was no man in insurance that had a wider acquaintance than Mr. Holmes. He had been connected with the business in a way that brought him in close contact with the men in it and he won their esteem and affection. Mr. Holmes took particular delight in helping friends along the way. He had come to the assistance of people financially, socially and in a business way and made no noise about it.

Was Royal Entertainer

In many ways Bayard Holmes was a real prince of the blood royal. As an entertainer and host he had no superior. In spite of his intense, earnest and aggressive personality he was a man of great charm of mind and manner. He was intensely loyal to his friends. In his contacts with insurance men he wove himself into their hearts.

Mr. Holmes was born March 12, 1868, at Cortland, N. Y., and back to the home of his youth went the body for interment where it will rest in silence. He graduated from Cornell, took a law course, went to New York and became manager of the Thiel Detective Service Company. In this work he made some insurance investigations and that led to his desire to become more closely affiliated with the business. The old International Association of Accident Underwriters employed W. deM. Hooper to organize a bureau for the association known as the International Insurance Information Bureau to keep tab on claims and report on agents.

Hooper and Holmes Unite

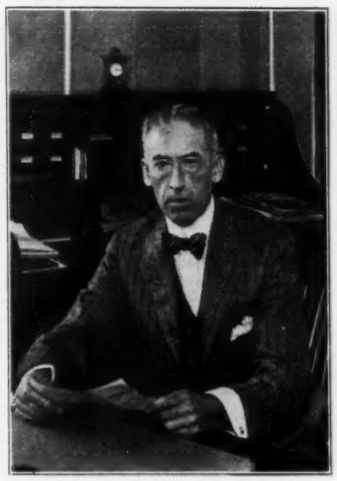
Mr. Hooper also conducted an insurance paper. It so happened that Mr. Holmes and Mr. Hooper shared offices. Out of that affiliation developed a friendship that was close and lasting. The International Association of Accident Underwriters desired to get rid of its bureau and Mr. Holmes and Mr. Hooper got together and organized the Hooper-Holmes Bureau, which became a leader in the work of collecting information as to policyholders, claimants, agents, etc. for accident companies. Mr. Holmes while in the same office with Mr. Hooper often helped him in his inspection work. The Hooper-Holmes Bureau became a national institution with branch offices located in a number of cities.

King Joined the Bureau

After Mr. Hooper's death Mr. Holmes had to fill up the gap and induced John J. King, for 20 years head of the inspection department of the Mutual Life of New York, to join him in the Hooper-Holmes Bureau. For 20 years or so these two men did notable team work. They were intimate friends. The business grew and prospered. In addition to the original plan for getting information for accident and health companies they enlarged the service. First they developed a life insurance inspection service and then fire and automobile. Not long ago Mr. Holmes became chairman of the board and Mr. King president. Mr. Holmes desired to get rid of some of the exacting duties of his work but he was almost daily at his office.

Was a Hospitable Host

During his bachelor days he kept open house in his quarters and his gracious hospitality was enjoyed by his many friends. When anyone was in trouble Bayard Holmes was at hand. He listened to the recital of troubles with a sympathetic ear. He was often appealed to for financial help. He was princely in his generosity in whatever he undertook. Mr. Holmes during a number of conventions was a conspicuous figure in the entertainment features.



BAYARD P. HOLMES

At the annual White Sulphur casualty convention he and Mrs. Holmes were delightful hosts. From the beginning of the New York City Casualty & Surety Club he took a lively interest and later served as its president.

Lover of the Artistic

Mr. Holmes was a lover of the beautiful and artistic. He was attracted especially by ceramics, quaint publications, curiosities and novelties, art and literature. As an indication of his fine sense of loyalty he kept up the income from the business to the Hooper family long after Mr. Hooper died. There was no moral or business obligation but Mr. Holmes was impelled by fine motives to remember the family of his old partner.

Until April, 1921, Mr. Holmes continued his bachelor apartment. During that month he married Mrs. Dorothy M. Rolph of Denver, who had been deputy insurance commissioner for many years and served as insurance commissioner. Mr. and Mrs. Holmes were celebrated for their superb and charming hospitality in many many ways.

Funeral services were conducted by his friends and associates in the Masonic order, he having been a member of Ivanhoe lodge for more than 30 years.

Mr. Holmes was in the Post Graduate hospital at New York City for a week. He had been feeling badly and was taken to the hospital for an operation for gall bladder trouble.

Mr. Holmes had an attack of jaundice, from which he suffered for some time. He continued to go to his office until he entered the Post-Graduate hospital for observation. A major operation was found necessary. Mr. Holmes rallied from it for a time but pneumonia later developed and was the immediate cause of his death.

Union, Ind., Takes Up the Cudgel for Home Firms

Fred Doeppers, managing underwriter of the Union of Indiana, has made public a letter to A. L. Jenkins, Richmond, Ind., agent, taking issue with certain of his remarks at the annual meeting of the Indiana Association of Insurance Agents. Mr. Jenkins reported at that meeting that he had inquired of insurance departments of other states whether policies of four Indiana companies would be acceptable in those states as evidence of financial responsibility under the law. Replies were in the negative and Mr. Jenkins said he is using these letters in competition.

Mr. Doeppers told Mr. Jenkins that the Union of Indiana and other Indiana companies have arrangements by which their policyholders may meet the requirements of financial responsibility laws in other states. Although Mr. Doeppers did not say what the arrangement of his company is, it is assumed that the company with which the Union has a treaty reinsurance contract substitutes one of its policies for the client of the Union when a Union policyholder is required to give evidence of financial responsibility.

"This arrangement," Mr. Doeppers said, "is automatic and involves no delay or red tape in relieving the policyholder from his embarrassing situation."

Mr. Doeppers says: "It seems to be characteristic of Hoosiers to depreciate the works and the efforts of any insurance concern domiciled or having its origin in Indiana. Perhaps nowhere else has there been so much aggressive hostility against home companies as has been manifested by otherwise responsible and intelligent insurance men. The Union of Indiana at least does not merit such an attack and should you require proof of our responsibility and our fair dealing with the insuring public, or the integrity of this company's personnel, you are respectfully referred to the host of loyal first class agents in this company, many of whom are your neighbors and competitors."

Holland Resigns Position in Independence Indemnity

E. M. ANDERSON LEAVES

Chairman of Board and Head of New York City Department Sever Connections

Charles H. Holland recently resigned as chairman of the board and as a director of the Independence Indemnity of Philadelphia. At the same time E. M. Anderson resigned as vice-president of the company in charge of its New York City department.

Neither has announced his future plans. Mr. Holland for years has been an outstanding figure in casualty managerial circles. Following a successful career in Australia as representative of the casualty interests of the Royal of Liverpool, he came to the United States in 1910 to assume the vice-presidency and management and subsequently the presidency of the then newly formed Royal Indemnity of New York, an ally of the Royal Insurance Co.

First President of Independence

In 1922, when the Independence Indemnity was organized, Mr. Holland was chosen its president, so continuing until control of the company passed into the hands of Carl Hansen and associates of Los Angeles, several months ago when he became chairman of the board. Mr. Holland is now enjoying a vacation at his old home in England.

Mr. Anderson, too, is well known to casualty men, especially in the metropolitan district. Successively connected with the Metropolitan Plate Glass, the Casualty Company of America and the Royal Indemnity, he joined the staff of the Independence Indemnity when it was launched, continuing until now its chief representative in New York.

Richardson the Toastmaster

Frederick Richardson, United States manager of the General Accident, is to be the toastmaster at the mid-year meeting of the Insurance Federation of Pennsylvania in Philadelphia the evening of Nov. 13. The speakers will be Gen. Edward Martin, state treasurer; J. J. Leary, Jr., special investigator for the United States Department of Labor, and F. Robertson Jones, general manager Association of Casualty & Surety Executives.

May Defer Effective Date for New Accident Forms

BUREAU COMMITTEE MEETING

Issuance Originally Scheduled by Jan. 1 but Later Date Preferred by Many Companies

NEW YORK, Nov. 4.—While a number of matters are slated for consideration at the meeting of the governing committee of the Bureau of Personal Accident & Health Underwriters here tomorrow, the most important will be the suggested deferring of the date when the standardized forms of policies will be placed on the market from Jan. 1, as originally intended, to several months later. It may be that the committee will let each company decide the matter as it sees fit, though the prevailing thought appears to favor a uniform time.

While the program of the bureau called for the issuance of the new contracts at the beginning of the year, some managers felt that a later date would be preferable, as all offices are particularly busy during the closing months of each year getting their accounts in shape and driving to close up loose ends before statement season arrives. In view of this condition it was held that an undue strain would be placed on both office and field staffs if new contracts were put out at that time. The work would entail, in addition to printing of the forms, explanatory circular matter, letters of instruction to agents and the like, all of which requires considerable time on the part of the executives and their divisional chiefs. Though the action of the governing committee of the bureau with respect to the matter will not be known until the conclusion of tomorrow's session, the prevailing assumption is that the placing of the new policy forms on the market will be deferred until early spring.

Accident Frequency Highest Among Drivers Under 20

The Travelers has conducted an investigation of the records of about 4,000,000 motor vehicle operators, which shows that the percentage of drivers under the age of 20 involved in personal injury accidents is 39 percent more than the average for all ages combined. Drivers do not show a better accident experience than the average until they reach the age of 30 and the accident experience improves as the drivers become older.

Drivers under 30 comprise 36.4 percent of the 4,000,000 persons licensed and are involved in 48.6 percent of the personal injury accidents reported in the year. Out of every thousand drivers licensed under 20, 39 are involved in personal injury accidents as against 36 out of every thousand between the ages of 20 and 29. Twenty-seven out of a thousand between the ages of 30 to 39 are involved and 20 out of a thousand in ages 40 to 49 and 18 in ages 50 or over. Twenty-eight out of a thousand of all licensed drivers are involved in personal injury accidents each year.

Interesting Issue Is Out

The November issue of the "Fire, Casualty & Surety Bulletin," issued by THE NATIONAL UNDERWRITER contains an interesting discourse on legal liability of charitable institutions. This subject comes up very often but few agencies have anything on file pertaining to it. On the first page there is a summary so that an agent can see quickly just what the situation is in his state.

The Burglary Underwriters Association of Greater New York held its annual meeting last week.

Travelers Manager Is Illinois Speaker

LOUIS J. KEMPF, Chicago

L. J. Kempf of Chicago, casualty manager of the Travelers, was one of the leading speakers before the annual meeting of the Illinois Association of Insurance Agents at Peoria this week. Mr. Kempf is one of the foremost casualty men of the great western city. He has taken an active part in attempting to bring about better practices and stabilize selling conditions.

Compulsory Plan Opposed by Virginia Commission

RICHMOND, Nov. 4.—The Virginia legislative commission designated to study proposals for a compulsory motor vehicle liability law has elected T. McCall Frazier, director of the state motor vehicle department, chairman, and W. R. Shands, director of the legislative reference bureau, secretary. Other members of the commission are Governor Pollard, Lester Hooker, chairman of the state corporation commission, and H. G. Shirley, chairman of the state highway commission.

Sentiment Is Unfavorable

An informal discussion disclosed that sentiment was strongly against a compulsory law, information from other states which have experimented with such a law showing that the plan has been anything but a success. It was indicated that the commission would give its attention chiefly to consideration of an alternate plan calling for adoption of a drivers' license law, with a provision that drivers involved in accidents have their permits revoked until any accident judgment against them is satisfied. The commission is expected to hold public hearings before making any recommendations.

M. F. Doyle Advanced

Marc F. Doyle has been made associate manager of the Swett & Crawford agency at Los Angeles. For the past five years he has been assistant manager in charge of fidelity and surety. Mr. Doyle has been in the business more than 20 years, beginning with a general agency firm in St. Louis and later becoming an underwriter in the home office of the Hartford Accident. Subsequently he was transferred to Cincinnati as branch manager and thence to Chicago as field supervisor. Later he became manager of the metropolitan bond department of the Royal Indemnity in New York and afterwards connected with the London & Lancashire Indemnity in a similar position.

Massachusetts Solons Pass Only One of Six Measures

STATE BOARD BILL REMAINS

New Act Requires Notice to Parties Involved in Default Cases—Protects Companies

BOSTON, Nov. 4.—The special session of the Massachusetts legislature to amend the compulsory automobile law has passed one and killed four of the six measures reported to it by the joint committee, leaving the establishment of a state rating and appeal board the only measure undecided.

The single measure passed was that giving protection to insurance companies by requiring a notice to parties involved in all default cases.

Four Bills Killed

The bills killed were the fraudulent address bill, which would penalize those registering their cars from a lower rated zone; the bill requiring notice of intention to file claims within ten days after accidents; the measure providing for the elimination of protection for guest riders, and the $100 deductible provision. The last measure probably will be reconsidered and an amendment offered to provide for both a full coverage and a $100 deductible policy, bringing the control of the rates for both under the commissioner of insurance.

The measure left for consideration provides for the establishment of a state board of rating and control authorized to fix rates and take over the duties of the present board of appeals, to consist of the insurance commissioner with two others appointed by the governor and drawing $5,000 salary each. The bill has been given its third reading and has been amended to provide that the maintenance fund shall be taken from the highway fund, and to allow the employes of such a board to be taken from the civil service list.

Flat Rate Bill Defeated

An attempt to revive the flat rate bill which was given an adverse report in committee failed by a roll call of 124 to 70.

Although the 280 legislators receive a salary of $2,000 for their ordinary annual session, a bill is before the body to award them $500 additional for the present special session. Expenses to date of the body amount to over $100,000. If the special salary measure goes through, over which there is much opposition in the press of the state, the cost to the state of the special session would be over $150,000, and, if the rating board bill goes through, an annual overhead of $10,000 in salaries for board members, outside the cost of the operation of the board estimated at $200,000 annually.

In the meantime the legislature has enacted no legislation which will reduce the present rates of compulsory automobile liability insurance, for which the session was called.

W. J. Patterson's New Work

W. J. Patterson has been made manager of the casualty department in the Chicago office of Starkweather & Shepley. He started with the Ocean Accident & Guarantee, connected with the underwriting department for five years. He then was special agent in Illinois. He went to Milwaukee as regional supervisor, having held that position for the last two years. He was in charge of eastern and southern Wisconsin for the Ocean. He succeeds A. V. Mooney, who recently resigned.

Casualty Notes

Wheeler, Kelly, Hagny Agency, Wichita, Kan., has taken a general agency of the Ocean Accident for all lines.

Col. Parke P. Deans has been elected chairman of the Virginia industrial commission, succeeding Maj. C. G. Kizer.

Railway Franchise Offices Bringing About Uniformity

ELIMINATE BAD PRACTICES

Accident and Health Companies Due to Destructive Competition Have Been "In the Red"

Companies writing railroad franchise accident and health business have been getting together and agreeing on some special rules and practices on policy provisions in order to protect themselves against destructive competition. The railroad field got into a chaotic state owing to one company vying with another in terms offered. It would introduce a new wrinkle in a policy which seemed to be more liberal and often was able to wrench a franchise away from a competitor. In this way there was much replacement of business.

The companies writing the bulk of this business are the Continental Casualty, Provident Life & Accident, Pacific Mutual Life, Inter-Ocean Casualty, Washington National, Massachusetts Bonding and the Benefit Association of Railway Employes of Chicago. A uniform policy contract has been gotten out and is now being pretty well used. The companies have eliminated hospital benefits and they do not cover venereal diseases. They are limiting the sickness benefit to 52 weeks. There is no partial benefit paid on sickness. The partial accident indemnity is limited to three months. The total accident indemnity is limited to two years. The railroad business has been written at a deficit and the companies have been carrying on their operations without getting proper returns.

Revoke 25 Drivers' Licenses

MILWAUKEE, Nov. 4.—Twenty-five Wisconsin motorists have lost their drivers' licenses under the new auto license law. With the removal of a person's automobile license and the confiscation of his driver's permit, he must show that he is covered with sufficient liability insurance or that a possible victim is financially covered in some way before the right to drive a car is restored.

Insured's Act Does Not Affect Injured's Rights

LOS ANGELES, Nov. 4.—Holding that the "insolvency" clause in an automobile liability policy creates an interest in favor of the claimant which cannot be sacrificed by any act or neglect of the insured, the fourth district court of appeal gave judgment against the Home Accident in favor of the claimant, and refused to hear allegations that the insured had forfeited the policy. A dozen lawyers, evidently representing insurance companies, rushed into the case as friends of the court, on appeal to the supreme court of the state, which has just taken the appeal under advisement. The case is Hynding vs. Home Accident.

The policy provided that insolvency or bankruptcy of the insured should not release the insurer. Hynding brought suit against the insured, S. K. Tucker, and Tucker refused to cooperate in the defense. Judgment against Tucker was obtained and execution against him was returned unsatisfied. Hynding then brought suit against the company under the insolvency clause and the company resisted on the ground that the insured had forfeited the policy by refusal to cooperate in the defense. Both the trial court and the district court of appeal held that acts or omissions of the insured, after the accident, could not affect the rights of the injured.

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Suggests Cure for Fake Fleet Evil

(CONTINUED FROM PAGE 31)

automobile driver. Automobile drivers crowd the driver ahead as though they had no right on the highway. What would happen to the pedestrian who persisted in walking on the wrong side of the sidewalk, bumping into everyone?

"Insurance company representatives and agents must wake up and assume their share of this accident prevention work. The public is looking for us to do so. There is a limit as to how far we can go in rate. The automobile public liability line has been profitable to the companies and the agents and it is up to us to bring it back to where it was prior to 1928."

Although the loss experience has been getting worse, the rate competition has been more unrestrained. He mentions specifically the fake fleets, pointing out, for instance, that a group of doctors who drive cars night and day are preferred risks and entitled to 25, 30 or 40 percent off manual if they place their insurance through the medical association. School teachers get the same advantage as well as employes of banks, telephone companies, etc.

What the Public Thinks

"Aren't we educating the public to think that there is lots of money in the automobile business for the companies instead of losses? Aren't we placing ourselves in the position where we would not be able to justify a rate increase if we had to make it? We should at least be consistent as far as our public relations are concerned.

"How can such companies retain the confidence of the policyholder who pays full rate when he learns that his neighbor, a doctor, bank clerk or telephone operator gets a 25-40 percent reduction? How can we, as insurance men, justify such a rating plan for the general public?

Effect of Cut-raters

"The individual policyholder that you now have insured at manual rates is told by these cut rate artists that he is entitled to a substantial discount by joining a group of his fellow workers. Gradually you lose that risk and another one and another one—until you get to the point where the last man on earth operating individuallly or not working for someone else is the only one whom you can insure at regular rates. You may think, if you have one of these fake fleet policies with a substantial premium, that you are building up your business and commission income when you are actually undermining the business that you are engaged in.

Workmen's Compensation

Much the same situation exists as to workmen's compensation. It has produced tremendous losses and yet rate competition is rampant. "It would seem that in the insurance business when the companies begin to lose fabulous sums in underwriting that the real rate competition begins," Mr. Kempf observed.

"You no doubt have had cut rate experience on your compensation risks. You have taken on a risk at a fair rate —your company and you have devoted your time and attention toward solving the accident problems in that plant. You have succeeded in doing this to such an extent that the risk is enjoying a substantial credit on its own experience. If you find that on renewal the policyholder tells you that he has a lower rate quoted, you investigate to find that it is a cut rate company. This company knows nothing about the past experience on the risk; they only know that they want business and to get it they must cut rates. You find that your policyholder will not pay your rate, in fact he has been convinced that he has been overcharged. Can you blame him for thinking that there is no legitimate rate and that insurance is not a matter of service and protection, but is a matter of bargaining for price?"

The salvation of workmen's compensation is dependent entirely on accident prevention, he said. Employers must be impressed with the fact that every accident costs them more than is paid the injured employe in compensation and medical expense. He said that workmen's compensation should be sold on the basis of reduction in overhead cost by the prevention of accidents instead of on the basis of rates.

The underwriting loss in personal accident insurance during the last three years is a direct reflection of the increased number of automobile accidents, according to Mr. Kempf. The answer is educating the driver to drive more carefully and with more consideration for the other fellow.

Mr. Kempf observed that profit is still being made on plate glass, burglary, engine and machinery, automobile property damage and general property damage, but these lines are not big premium producers and cannot be expected to offset the loss in the larger premium lines.

Mr. Kempf said that companies cannot make a profit in any line without having the sympathetic cooperation of agents. It is important to maintain the confidence and respect of the insurance public, he said. He urged agents to decide in their local boards that they will not sell fake fleet policies. They should belong and cooperate with the insurance federation for better insurance laws and should cooperate with the insurance department for the enforcement of the laws.

CASUALTY ASSOCIATION NEWS

Must Help Other Business

Maryland Commissioner Takes Optimistic View Regarding Future for Casualty Business

BALTIMORE, Nov. 4.—The present cycle of decreased business carries lessons of benefit and should put the casualty and surety business "on its toes," declared Commissioner W. C. Walsh in an address before the Casualty & Surety Club of Baltimore at its first luncheon meeting for the season.

"When business is tough and receipts fall off you must plan and rely on your own resources," said Judge Walsh. "If you succeed in times like these you certainly can succeed in prosperous years. You will come through in good shape if you are not pessimistic. Help other business and the public will help you. No one can live and succeed by himself."

Judge Walsh referred to depository bonds and said that depository bonding is a good thing; to compensation rates, which have been recently raised in Maryland, and to fidelity bonds, on which he said the companies have been losing a little money, but it was his opinion there is no reason to be discouraged at this and the country is not going to the bow-wows.

Judge Walsh said that in checking up on companies suitable allowance is made for the depressed condition of securities, at the same time protecting the public. It is his opinion that all good securities will come back and put the companies in good shape.

The commissioner said in closing that his department was willing at all times to cooperate with the companies on any plans they might submit.

G. Porter Houston, vice-president United States Fidelity & Guaranty, is president of the club and presided at the luncheon.

Detroit Club Hears Banker

DETROIT, Nov. 4.—Wilson W. Mills, chairman of the board Peoples Wayne County Bank, Detroit, talked at the first fall meeting of the Casualty & Surety Field Club of Michigan on "The Money Standards of the World." President John Horton, Aetna Detroit manager, outlined conditions faced by casualty and surety men today and pointed out that it will require hard and continuous work to keep up the showings of the various companies represented in Detroit during the coming winter.

Casualty Underwriters in Los Angeles Are Organized

LOS ANGELES, Nov. 4.—At a dinner-meeting here the Los Angeles Forum of Casualty & Surety Underwriters was organized with James A. Clark, Home Indemnity, as president; P. Moses, Aetna Life group, vice-president; R. A. Ancona, Fireman's Fund Indemnity, secretary, and Harry D. Adams, Travelers, treasurer. Twenty-three representatives of 15 companies were present.

The purpose of the new association is to establish closer relations between the casualty and surety underwriters of bureau companies and also to undertake an educational program. At each meeting a capable speaker will discuss some problem of common interest, followed by an open forum discussion. L. L. Brown, southern California divisional manager of the National Automobile Club, will address the next meeting of the automobile club and reciprocal automobile insurance situation in southern California.

Indiana Field Club Elects

The Casualty & Surety Field Club of Indiana held its first meeting of the season Monday in Indianapolis. Hal Meyers, manager Standard Accident, was elected president; R. C. Griswold, manager Aetna Life, vice-president; H. E. Schornstein, assistant manager New Amsterdam Casualty, treasurer, and F. B. Crowley, manager National Bureau of Casualty & Surety Underwriters, secretary. Freeman Davis, past president, reviewed the accomplishments of his administration.

A bowling league was formed and teams representing the following offices start bowling Nov. 6; New Amsterdam Casualty, Travelers, National Bureau, Standard Accident, Aetna, F. & D., F. & C. and Globe Indemnity.

Connecticut Insurance Day Is Celebrated at Hartford

(CONTINUED FROM PAGE 33)

sociation's five year plan which includes increasing its membership 10 percent each year. He urged the support of the Connecticut agents particularly in view of the fact that the membership must be increased 15 percent this year as only a 5 percent increase was recorded last year.

G. G. Inglehart, agency secretary of the Agricultural, stressed the importance of seeing that agents select policyholders carefully and do not let them get overinsured. He mentioned that advantages that would accrue from companies' being able to pay losses on actual cash value basis, as is the case with automobile losses.

Case Substitutes for Turner

A feature of the afternoon was an inspection of the Connecticut department's new quarters in the new state office building. Commissioner Dunham received the guests in his office, which was banked with flowers sent by friends.

Governor Cross of Connecticut was the guest speaker at the luncheon. Commissioner Dunham was toastmaster and introduced a number of guests prominent in insurance or state and city affairs. Mr. Case was toastmaster at the banquet in the evening, substituting for Mr. Turner. Speakers were Colonel Dunham, Rev. J. N. Mark of Brookline, Mass., and Dr. Teyhi Hsieh of Boston, managing director of the Chinese Trade Bureau of Boston. The E. B. Mallette cup for the local board having the largest percentage of its members present was awarded for the third time to Norwich, giving it permanent possession of the trophy.

Petitions Commissioners on Inland Marine Controversy

(CONTINUED FROM PAGE 31)

policies of burglary and theft insurance with this new form combining fire, burglary and theft coverage, would it not seem fair that we should be permitted to supplant our own outstanding policies with the new form?

"We consider this to be a gravely serious matter and we earnestly solicit your consideration of the problem and hope you will believe that we want nothing and ask for nothing except what we consider to be simple justice. The present system whereby one company writes fire insurance and another company writes burglary insurance has been in existence for many years and appears to have worked out satisfactorily to the interests of the insurance purchasing public and of the insurance agents and of the stockholders of insurance companies, and it does not seem to us that a consolidation of the two coverages into one policy would produce any appreciable benefit to the public.

Originated by Lloyds

"This idea of combining numerous coverages in one policy was introduced into the United States by underwriters at Lloyds, London, who originated what they called the "householders' comprehensive policy." It is common knowledge that such policies have been sold in this country—in many instances in defiance of the law—by Lloyds underwriters, whose activities cannot be subjected to regulation and supervision as are the activities of American companies.

"Insurance agents throughout the country have advocated laws prohibiting the placing of insurance with unauthorized insurers, and in almost all states Lloyds underwriters are unauthorized insurers. If we are now about to abandon the American system, described by Mr. Phillips, and adopt Lloyds' plan, should not all American companies—whether fire or casualty—be placed upon an equal footing?

"We sincerely hope that you will accept this communication in the spirit in which it is written, and, if it is possble to grant us permission to write this form, that you will advise us promptly so that we may prepare to avail ourselves of the permission as soon as the fire and marine companies become active."

Eason With Constitution

H. Gordon Eason, formerly of the Standard Accident, has joined the Constitution Indemnity as special agent in the metropolitan district of Chicago. He is working under I. C. Faber, who is in charge of the Constitution Indemnity's Chicago office.

Mr. Eason graduated from the Standard Accident school about two years ago and since then has been working in the Chicago branch as special agent.

Allen Knapp Transferred

Allen Knapp has been transferred from the New York office of the Commercial Casualty to the home office in Newark as underwriter, succeeding Norman Toussaint, who has resigned to go with the Newark branch office of the Detroit Fidelity & Surety.

Lee S. Rogers, who has been special agent for the Constitution Indemnity in central California, will after Nov. 1 make his headquarters in Los Angeles and will cover all of southern California.

Expecting Results from the Conference of Company Men

HOPE FOR DEFINITE ACCORD

Officials Feel That Disability Benefits Have Been Liberalized Due to Heated Competition

Much is expected from the meeting of the so-called quarterly premium accident and health companies at Des Moines next Monday. These like the industrial companies claim that the business belongs to them, that is, the agents do not own the business as is the case in the ordinary commercial lines. As in fire and allied coverages, the principle has been pretty well established that the agent owns the business.

However, in the quarterly premium field there has been much replacement of business because one company would come out with a new wrinkle or a little more liberal feature and its agents would therefore go to a policyholder and be able to lift the policy and write it in his own company. This has been going on to a considerable extent. These companies while not members of the Bureau of Personal Accident & Health Underwriters are for the most part in sympathy with what the bureau is doing and will follow it thoroughly and closely. However they do not care to have any agreement on rates.

Establish Maximum Limits

They will establish maximum limits beyond which companies cannot go. Companies can do less if they desire but not more than what is set. They will follow the bureau's insuring clauses. They undoubtedly will adopt the rule not to pay benefits where a policyholder claims results from an accident that occurred more than 20 days previous. Some companies have been wide open in this regard and have paid claims as the result of an accident, where disability was claimed one or two or even more months afterwards.

Furthermore these companies want to set a level rate for health insurance up to age 50, then a higher rate from age 50 to 55 and from there on a decreasing indemnity of 10 percent each year until age 65 is reached when it will be off. For accident they desire a level rate up to age 60 and then a decreasing benefit of 10 percent. If, however, a company desires to continue its full benefit after age 60 it shall charge 25 percent more. These companies desire more uniformity as to practice and it is desired to get down to fundamentals in some respects. There seems to be a feeling that a unit should be established which is standard. The old unit of a $5,000 policy, $25 a week for accident indemnity, having double indemnity and costing $25 might be used as a foundation and then additional hazards could be covered by a rating schedule.

Lectures on Automobile Insurance

NEW YORK, Nov. 4.—For the benefit of employes of the American Surety and New York Casualty a committee of which W. E. McKell, vice-president, is chairman has arranged a series of lectures "designed to give a comprehensive knowledge of all phases of automobile insurance." With W. MacInnes in charge, the initial lecture deals in a general way with the subject. Information will later be given as to the different types of carriers writing automobile coverages; an analysis of policy conditions; moral and physical hazards in connection with the business variations in the contracts as they apply to fleet risks; experience rating and the like; financial responsibility and compulsory insurance laws, and practices governing the issuance of non-ownership contracts. In all it is proposed to give 18 lectures, one each Friday afternoon.

Illinois Road Construction Mixup Brings Bond Problem

WAGE SCALE LAW INVALID

Bids Are Opened on Work Which Is Already Under Way—Surety Men Puzzled

Surety men in Chicago are much interested in the bonding angle of the situation created by the decision of the Illinois supreme court declaring unconstitutional the law passed at the last session of the legislature requiring contractors performing state highway work to pay the prevailing wage scale in the locality. Some contracts had been awarded, the contractor bidding with the provisions of the law in mind, and work had been started.

In a call for a special session of the legislature, Governor Emmerson listed as one of the subjects to be taken up compensation for these contractors who performed work under the invalid prevailing wage law.

At Springfield, Ill., Monday, bids were opened on projects, the work for much of which had already been started under contracts rendered invalid by the supreme court decision. There were a number of surety men on hand.

The question arises as to the status of the bond, both when the original contractor continues on the project as a result of the new bidding and also when a different contractor is awarded completion of the job started by the contractor who bid under the prevailing wage law. Most surety men seem to think that the proper process will be to cancel the original bond, retaining for the surety company an amount of the premium proportionate to the amount of work completed. Then a new bond could be written to cover the part of the project to be undertaken as the result of the new bidding .

Surety men believe that the bonds covering the work under the original contract will have to be canceled, inasmuch as under the supreme court decision, the bonds guarantee illegal contracts.

It is believed that most of the work will be kept in the hands of the contractors who started on the job, even though the original contractor might not be the low bidder in the second bidding. There will undoubtedly be exceptions, however, because there is in some sections of the work a rather substantial difference between the bid of the original contractor and that of the lowest bidder.

Illinois Insurance Federation May Start Membership Drive

Walter W. Belson, editor of "Federation News," official organ of the Insurance Federation of America, was at the meeting of the Illinois Association of Insurance Agents at Peoria this week and conferred with Secretary E. M. Ackerman, Henry Swift Ives of New York, special representative of the Association of Casualty & Surety Executives, and L. J. Kempf, Chicago manager of the Travelers. Mr. Kempf is a former president of the Illinois Federation and is much interested in the movement. Plans were discussed for an intensive membership campaign.

Canadian Casualty Officers

At the annual meeting of the Canadian Casualty Underwriters Association, held at Toronto, these officers were elected: President, F. J. Lightbourn, Maryland Casualty, Toronto; first vice-president, John Jenkins, Employers Liability, Montreal; second vice-president and secretary, H. Falconer, Dominion of Canada General, Toronto.

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WORKMEN'S COMPENSATION

Defer Oklahoma Rate Action

Attorneys Given Time to File Briefs—Several New Rulings Requested by National Council Made

OKLAHOMA CITY, Nov. 4.—After listening for three days to testimony for and against the increase of 57.9 percent in workmen's compensation rates in Oklahoma asked by the National Council, the Oklahoma insurance board held over its decision for two weeks to give attorneys on both sides time to file briefs. New testimony presented by the council showed a marked increase in the unfavorable character of experience in Oklahoma since the filing was first made last May.

The board approved a proposal presented by the National Council, which requires the Oklahoma compensation rating bureau to make test audits of payrolls whenever there is apparent reason to believe improper practices have been indulged in.

A general rule was adopted prohibiting any future blanket compensation policies in this state. Contracts of this type which had been written previous to Oct. 20 will be permitted to continue in effect until expiration date, but can not be renewed.

The board also ruled that risks engaged in geophysical exploration, or the mapping of subsurface areas by impulses from explosives, shall be rated individually by the Oklahoma bureau and that a rate in keeping with the hazard of the individual risk be determined by the bureau.

Oregon Results Reported

The Oregon industrial accident commission reports that during the fiscal year ended June 30 accidents for which claims were established under the Oregon compensation law totaled 32,714, with 153 fatalities. Although less than the 1929-1930 figures, the commission described the 1930-1931 results as "very substantial, considering the fact that industry is far below normal."

During the fiscal year, 3,590 employers earned the maximum rate reduction of 20 percent for accident prevention, while 15 percent reductions were granted to 329 employers, and 356 were given 10 percent reductions.

Virginia Claims Increase

RICHMOND, Nov. 4.—Claims aggregating $2,509,147 were allowed in 1929 and 1930 by the Virginia industrial commission under the compensation act, an increase of approximately 15 percent over the two previous years. The increase is ascribed principally to the larger awards made possible by the last general assembly. Under the 1930 act the amount allowed in fatal cases was increased from $3,600 to $4,200 and in disability cases from $4,500 to $5,600. The maximum weekly allowance was raised from $12 to $14. The waiting period was reduced from ten to seven days.

Requires Early Report

The Missouri supreme court has upheld a section of the compensation act requiring report of accidents within a reasonable time. It reversed the Pettis county circuit court, which gave $1,063 judgment to Corbine H. Wheeler against the Missouri Pacific Railroad for the loss of sight of one eye. The compensation commission held Wheeler was not entitled to compensation. He claimed to have been injured on March 30, 1927, but did not file his application for compensation until April 20, 1929.

Airplane Travel No Bar

Holding that airplane travel is not too hazardous to nullify the payment of workmen's compensation, Compensation Commissioner Matthews of Nebraska has ordered the Employers Liability to pay $5,250 to the widow of Roy H. Libby, division superintendent of the Western Public Service Company of Scottsbluff, killed in a crash last May.

ACCIDENT AND HEALTH FIELD

Federal Brings Out Policies

Low Cost Accident and Disability Contracts Give Broad Cover for Monthly Premiums

The Federal Life of Chicago is bringing out "low cost" accident and disability policies in units of $1 a month premium. The thought is that measuring in terms of benefits obtainable for $1 will appeal to the largest number of prospects at this time. The contracts offer on specific losses the principal sum for accidental death, loss of hands, feet, etc., resulting within 90 days after accident, in lieu of any other indemnity; double indemnity and all other death and dismemberment benefits; total disability benefits for a limit of 20 months and partial (40 percent) for six months; sickness indemnity with a seven day excepted period and a limit of six months for confining disability and one month at 40 percent for non-confining.

There are also accumulations, the principal sum being increased 10 percent yearly for a limit of 50 percent, and monthly indemnities increase 10 percent likewise if premium is paid annually in advance. The indemnity is payable every 30 days. Full indemnity is paid for carbuncles, boils, felons, external abscesses and ulcers, for a limit of one month, house confinement not required.

The disability policy with $3 policy fee and seven days excepted period on sickness carries class AA rates as follows:

Mo. Indem.	Prin. Sum	Monthly Premium Men 16-50	Men 51-59	Women 16-49
$ 55	$ 550	$1.00	$1.50	$1.25
60	600	1.09	1.65	1.38
70	700	1.27	1.92	1.60
80	800	1.45	2.18	1.81
90	900	1.64	2.48	2.06
100	1,000	1.82	2.73	2.28
125	1,250	2.27	3.40	...
150	1,500	2.73	4.10	...
175	1,750	3.18	4.77	...
200	2,000	3.64	5.46	...

The accident policy, also with a $3 policy fee, issued to men ages 16-59 inclusive, and women ages 16-49 inclusive, with a maximum monthly indemnity of $100, carries class AA rates:

Mo. Acc. Indemnity	Principal Sum	Monthly Premium
$ 60	$ 600	$0.68
80	800	.91
90	900	1.02
100	1,000	1.13
125	1,250	1.41
150	1,500	1.70
175	1,750	1.97
200	2,000	2.27

The company will not issue monthly indemnity for more than three-fourths of a man's average monthly earnings. Women regularly engaged in occupations at regular salaries on which they are dependent for support, and who are not working in their own residences or those of their employers, are insurable under this form.

Sunstroke Held an Accident

United States District Court of Appeals Hands Down Decision on Disputed Issue

The United States district court in the western district of Pennsylvania has denied a new trial and an amended verdict in the case of Harris vs. Maryland Casualty, which involves sunstroke while playing golf. The assured had an accident policy. The trial resulted in a verdict for the assured. The Maryland Casualty moved for a new trial on the ground that death from sunstroke while the assured was playing golf, thus voluntarily subjecting himself to the heat of the sun, was not death within the meaning of the accident policy, secondly that the court erred in the holding that the affirmative proof of death called for by the policy was waived by the conduct of the company, and thirdly that the court erred in holding that the refusal of the beneficiary to permit an autopsy did not void the policy.

The court on the first point said that it had filed its decision holding that sunstroke suffered while insured was playing golf was within the terms of the policy. As to the second question, the insured was buried June 7. On July 1 the beneficiary gave notice to the company. On July 7 the company demanded an autopsy, which was refused. On Aug. 26 the company denied liability on account of this refusal. The court is of the opinion that the demand of the defendant for an autopsy was a waiver of this affirmative proof called for by the policy terms. As to the third point, the court in quoting the policy provision states that it is of the opinion that the right to make a post mortem in case of death must be demanded prior to the burial.

To Hold Thanksgiving Party

Detroit Managers Club Plans Active Season—Free Insurance Evil Discussed

DETROIT, Nov. 4.—The Detroit Accident Managers Club will hold a Thanksgiving party Nov. 20 as an opener in the development program of the new administration. Anyone tied in with the accident insurance line will be welcome. There won't be any speeches or formal program, just the dinner and an extra dessert of wit and humor.

The officers and board of directors on call of President George Brown met in

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informal conference Monday. The administrations will ask the adoption of a resolution at the coming business meeting authorizing the directors to accept accident men not executives as associate members at a nominal fee as a means of bringing the offices and selling units in closer contact than now prevails.

An attraction for each meeting will be the presentation of a three-minute sales feature by three or four of the members, a prize to be awarded for the best one every few months.

The efforts being made in insurance agency circles generally, both organization and individual, to overcome the evil of free insurance by a reasonable credit limitation was discussed.

The consensus was that so far as disability insurance is concerned, no steps should be taken by the companies to insert any provision making the policy automatically cancellable for delay in premium payment, most policy forms being already clear in that regard. It was agreed that the collection of premiums is up to the agent and the supervising executive and so long as the policy is cancellable for non-payment of premium by registered mail, the agent has no one to blame but himself if he has to hold the bag for the smarty who works the free insurance racket.

New McCarthy Suit Filed; High Court Refuses Review

The now famous case of Dr. W. S. McCarthy, Des Moines surgeon, against the United States Fidelity & Guaranty, which has often been cited as demonstrating the danger of lifetime indemnity in accident insurance, is in the courts again. Dr. McCarthy fell on the ice Dec. 6, 1922, while carrying a glass jar of candy. The broken glass severed a nerve in his right wrist, which he declared made it impossible for him to continue his work as a surgeon. The company paid him $250 a week until Oct. 22, 1925.

The case was taken into court for the second time in 1929, resulting in a verdict for $250 a week from October, 1925, to November, 1929. The company appealed to the United States circuit court of appeal, which sent the case back for a retrial. A verdict was again given for Dr. McCarthy and the U. S. F. & G. appealed, carrying the case on up to the United States Supreme Court, which last week declined to review it. Following that action Dr. McCarthy brought a new suit for $25,750, to bring the indemnity up to the present time. This brings the company's liability on the case so far to more than $115,000 and it will apparently continue as long as the surgeon lives.

Executive Committee Will Meet in Chicago on Dec. 4

Chester W. McNeill of the Massachusetts Accident, chairman of the executive committee of the Health & Accident Underwriters Conference, has called the mid-winter meeting of that committee at the Stevens hotel, Chicago, Dec. 4. The first two years after the conference started to hold one regular meeting a year instead of two, the executive committee meetings were held in New York City at the same time as the meetings of the Life Presidents Association, insurance commissioners and other organizations, but the success which attended the meeting in Chicago last year, when the attendance was so large as to make it virtually a mid-winter meeting of the conference, caused the committee to decide on holding its meeting in that city again this year.

Chicago Club November Meeting

The Accident & Health Managers Club of Chicago has changed the time and place of its November meeting, which will be held at noon Nov. 10 at the Boston Oyster House in the Hotel Morrison. Leonard Keeler of the Scientific Crime Detection Laboratories, affiliated with Northwestern University, will give a demonstration of his "lie detector," with a complete explanation and discussion.

FIDELITY AND SURETY NEWS

Confer on Treasurers' Bonds

Michigan Agents Work on Problem of Protecting Tax Funds—Companies Refuse Business

LANSING, MICH., Nov. 4.—A committee of the Michigan Association of Insurance Agents is conferring this week with Paul W. Voorhies, attorney-general, relative to the situation as regards bonded protection of tax funds collected for the state and county by city, village and township treasurers. It is still considered possible that the attorney-general will rule the companies may write the short term performance bonds for treasurers with a clause excluding liability in event of the failure of a depository. Even if the attorney-general held the companies would not be liable under performance for the consequences of bank failures, it is considered improbable that the surety companies would accept such an interpretation of the law not backed by court opinion.

Test Case Consumes Time

At a previous conference, both the attorney-general and the governor indicated there was no way to obtain a court opinion without carrying through a test case and such a procedure would take time. An early interpretation is necessary to be of value as the tax collection season is almost at hand and the short term bonds must be written soon if they are to be written at all.

If the conference this week fails to develop a promising solution, it is considered likely that an appeal to the surety companies will be made, perhaps by a delegation of insurance leaders who would go to New York to confer directly with the company executives. It has been suggested that the companies might arrange some sort of pool to take care of the situation said to be peculiar to Michigan because of the special legislation in effect here.

Rules on Cancellation of Oil and Gas Surety Bonds

SAN FRANCISCO, Nov. 4.—Cancellation of liability covered by surety bonds issued for guarantee of oil and gas operations in California is the subject of an important opinion given by Attorney-General Webb in a letter to R. D. Bush, state oil and gas supervisor.

In commenting on the validity of the cancellation clause Attorney-General Webb states:

"The express purpose of such bond is to insure such compliance and to indemnify the state against any and all loss occasioned by a failure to comply either with the provisions of the act or the orders of the state gas and oil supervisor. It is questionable whether a cancellation would relieve the surety of liability for the failure of the principal to comply with the provisions of the act or the orders of the supervisors issued with respect to wells drilled while such bond was in force, even though such failure occurred after the cancellation. Certainly, it is not the in-

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tent of the act that the surety should be so released. I am of the opinion that bonds containing such a cancellation clause should not be accepted by you as satisfactory."

McVicar Slated for Surety Association, Chicago, Head

Frank McVicar of the Hartford Accident is the choice of the nominating committee to succeed Gordon H. Fox of Marsh & McLennan as president of the Surety Association of Chicago. Mr. McVicar has been vice-president of the association. The annual meeting is scheduled for Nov. 17.

W. O. Schilling, branch manager of the United States Fidelity & Guaranty is nominated for vice-president; B. H. Davenport, American Surety, for treasurer, and S. P. Armstrong of Fred S. James & Co., for reelection as secretary. Nominated for the executive committee are Elmer Anderson, American Employers; J. H. Hartman, George Herrmann & Co.; W. H. Hansmann, Fidelity & Deposit; D. J. Donohue, Royal Indemnity; J. J. Reynolds, Century Indemnity; W. W. Steiner, Globe Indemnity and Mr. Fox.

New York Course Starts

Suretyship lectures of the Insurance Society of New York have started. The speaker at the first session was L. E. MacKall on "The Fundamental Principles of Suretyship." These talks are being given in the New York Board room with Hale Anderson, vice-president Fidelity & Casualty, as chairman.

No Data Furnished Hobbs

TOPEKA, KAN., Nov. 4.—Commissioner Hobbs of Kansas has received no answers from surety companies to his request for data to show the need for increasing depository bond premiums. Mr. Hobbs refused the increase because his figures show a loss ratio of 44 percent on depository bonds in Kansas.

Joins Massachusetts Bonding

Fred S. Schmalle has been appointed manager of the surety department of the southern California branch office of the Massachusetts Bonding at Los Angeles. He was formerly with the National Union Indemnity and Southern Surety.

New Jersey Surety Meeting

NEWARK, Nov. 4.—The Surety Association of New Jersey is holding its luncheon-meeting here Thursday instead of Nov. 3, as the latter date was a legal holiday.

Clarence Klein, an adjuster in the Aetna St. Louis office, has been transferred to San Antonio, Tex., effective Nov. 1, and will have charge of the claim department there.

WITH BURGLARY UNDERWRITERS

Club Debates Marine Form

Chicago Burglary Men Vote to Assist in Obtaining Broader Powers for Casualty Companies

Attempt of the Burglary Underwriters Club of Chicago to have a form of home policy prepared with which members could meet competition of the so-called "comprehensive" and all-risk personal property floater forms, although it started bravely at the October meeting fizzled to some extent at the November meeting this week. A motion finally was approved for the secretary to communicate with companies to ascertain whether the club can assist in any way in attempting to secure companies' charter amendments under which a broader form can be issued.

C. F. Tanner of Marsh & McLennan, chairman of a special committee on inland marine competition, reported that the best course for the club would be to determine whether company charters can be broadened. It was his opinion that mysterious disappearance could be written by terming it one form of theft. The club, he said, could be most useful by cooperating closely with New York representatives in attempting to get companies' charters amended to give broader powers, and if this is not possible he said the companies should write as broad a form as they can under the present arrangement.

Personnel of Committee

The committee also included James Tallon, Travelers; R. Baker, Home Indemnity; A. C. Anderson, A. F. Shaw & Co.; A. K. Layden, Zurich; Martin Patt, United States Fidelity & Guaranty, and J. MacGregor, Continental Casualty.

It was the opinion of some members that it was questionable whether it would be possible to get the rate down low enough to meet the competition of inland marine companies, and if the rates were cut that low, that most companies probably would not write the broader form.

President Ralph Johnston, Moore, Case, Lyman & Hubbard, expressed the opinion the average risk would not be affected by the all-risk personal policy floater because it carries a $50 minimum premium and requires 100 percent insurance to value.

NEWS OF THE COMPANIES

Bland Urges Fighting Spirit

President of U. S. F. & G. Tells Agents That Is Only Way to Bring About Recovery in Business

BALTIMORE, Nov. 4.—The financial statement of the United States Fidelity & Guaranty as of Sept. 30 shows assets of $61,127,786 market value of securities as of June 30, $44,628,899; premium reserve, $16,881,425; claim reserve, $22,291,799; special reserve for mortgage guarantee, $2,500,000; capital, $10,000,000; surplus, $6,835,966. President R. Howard Bland in a letter to all managers and agents said:

"On Sept. 3 I addressed a letter to you pointing out that much of the trouble in business today was due to unreasoning fear and unfounded gossip about financial and industrial institutions; that if every man would attend to his own business, disregard the foolish rumors spread abroad and work as never before, the future need not worry us.

"Let me emphasize again what I then said, because proneness to gossip and lack of courage still seem to be abroad in the land. It is my ambition to visualize our people as among the first to show real fight, to prove that business can be developed even under adverse conditions, and to disregard cowardly gossip about any institution. That the company is in a strong financial position is evidenced by the statement as of Sept. 30.

"It would appear that the world is in the final phases of the unprecedented depression. With normal prosperity restored in the United States and Canada, you should witness an increase in premium volume and a decrease in losses. Moreover, the value of the company's securities should be measurably enhanced.

"It is a fallacy to assume that we must wait for business to come back. The sensible, constructive, American thing to do is to help bring it back. Each one of you has a part to play in effecting the recovery. These times provide an acid test for the quality of your industry and ingenuity."

Company Wins Its License

New York Title & Mortgage Co. Is Given a Favorable Decision by Illinois Supreme Court

Holding that "a foreign corporation will not be allowed to do business on more favorable conditions than those prescribed by law for domestic corporations, but the restrictions placed upon appellant by the applicable statutes of Illinois are at least equally great as restrictions placed on local guaranty companies organized under the title guaranty and general corporation acts," the Illinois supreme court has upheld the contention of the New York Title & Mortgage Co. that it is entitled to an Illinois license. The case was that of People ex rel. Lowe vs. New York Title & Mortgage Co.

An information in the nature of quo warranto had been filed against the company to show by what authority it was doing business in Illinois. The company pleaded that it was licensed July 24, 1929, to transact business in the state after a favorable ruling had been made by the attorney general that it could be admitted under the casualty act and that the license was justified on the doctrine of comity between States.

The Illinois title guaranty act authorized incorporation of domestic companies to transact this type of business but does not specifically authorize foreign companies to engage in it in Illinois. The court held that the company had qualified under the casualty act as well as under the fire, marine and navigation act.

Massachusetts Bonding Figures

The Massachusetts Bonding during its first nine months shows an increase of $186,222 in losses and loss expense and a decrease of $141,213 in all expenses incurred, leaving a net increase of $45,009. The net premiums for nine months were $8,882,067, as compared with $8,766,302 for the similar period of last year.

Prudential Casualty Not Affected

ST. LOUIS, Nov. 4.—The filing of a voluntary petition in bankruptcy by the Prudential Finance Corporation of St. Louis has revealed that company is no longer a heavy stockholder in the Prudential Casualty & Surety of this city, having disposed of most of its insurance stocks some time ago to enter the land business in southeast Missouri.

William Baldwin, president of the Prudential Casualty & Surety, in commenting on the failure of the finance concern, stated emphatically that its financial difficulties would not and could not affect the insurance company in any manner. He stated that the finance concern still has a few shares of stock in the insurance company but is a very small minority stockholder at present.

Buckeye Union Casualty Meeting

The Buckeye Union Casualty of Jackson, O., observed its fifth anniversary as a stock company Nov. 1. The assets on day of organization were $150,000. They are now $702,786 and the policyholders' surplus is $226,858. The Buckeye Union now has 500 agents. During the five years it has written $2,362,888 in premiums and its losses paid are $804,199.

PERSONALS

O. P. Davies, president of the Davies, Decker & Jean agency at Grand Rapids, who died a few days ago, was one of the veteran agents of Michigan and was widely known to fire and casualty underwriters throughout the middle west. He was associated with the Fidelity & Casualty for 30 years, successively as special agent in Milwaukee, St. Paul and Detroit, and as general agent in Grand Rapids. While versed in all lines of insurance, he had a particular knowledge of steam boiler coverage, in the sale of which he was notably successful. In addition to his business interests Mr. Davies was active in the civic life of his home city, serving for a number of years as a member of the school board.

Mr. and Mrs. **James W. Henry** of Pittsburgh announce the marriage of their daughter, Frances Elizabeth, to James S. O'Neill, Oct. 24 at their home in Pittsburgh. Mr. Henry is the casualty manager of the Aetna Life group at Pittsburgh and is prominent in the National Association of Casualty & Surety Agents, he having been a president and is a member of the executive committee. His daughter is well known to the insurance fraternity and is a very popular young woman.

Mike M. Moss, senior vice-president of the Union Indemnity, has been in Detroit and Chicago on business, where incidentally he has been attracting admiration because of a flowing mane recently developed upon his upper lip. The flowing mane is a very neat mustache which is becoming to its proprietor. In Detroit, Mr. Moss attended a meeting of the board of the Detroit Life, which is a member of the Insurance Securities group of New Orleans.

William Boedeker, 53, senior inspector of the Travelers at Milwaukee, died suddenly from a heart attack. He was transferred there three years ago after 16 years as senior inspector at Louisville for the same company. A son, Martin Boedeker, is office manager of the Pirtle, Weaver & Menefee agency of Louisville.

Mrs. Julia Fellows of Chicago, mother of President **C. W. Fellows** of the Associated Indemnity and Associated Fire & Marine of San Francisco, died at her home in her city last week, the funeral being held Friday. President Fellows had been in Chicago for a number of weeks but left Wednesday of last week for home, not realizing the sudden end that was soon to come to his mother. Mr. Fellows was a former resident of Chicago when he was connected with the Ocean Accident.

Ira L. Morris, secretary and general manager of the Buckeye Union Casualty of Jackson, O., is bereaved owing to the death of Mrs. Morris. She had been in ill health for a number of months. Funeral services were held from Holy Trinity church, interment being at Lima, O. Lima was Mrs. Morris' old home, where she was born in 1885. When the Buckeye Union Casualty moved to Jackson in 1924 the Morris's moved to the latter city.

Casualty Company Notes

The **Pennsylvania Mutual Plate Glass** of Philadelphia has been licensed in Maryland.

The **Union Indemnity** has been licensed in Montana with D. A. Crichton & Co. of Great Falls as state agent.

The **Mutual Boiler** of Boston has been licensed in Ohio with M. H. Matthews, Cleveland, as state agent.

The **T. E. Braniff** agency, Oklahoma City, has taken the general agency of the Columbia Casualty for boiler and machinery lines.

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